Home Equity Conversion Mortgage

Service Provider (HECM SP)

HERMIT User Guide – Part 2

Servicing Module

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7. TIMELINES

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7.1 Timelines Overview

Timelines are predefined steps grouped to notify HUD and track certain business events on a loan. Permissions are built into the Servicing Module allowing authorized users to initiate a timeline and complete the steps within the timeline. The timelines conforming to a business event are grouped within a timeline category. The timeline categories in the system are:

Timeline	Description
Compliance	Includes timelines to track a borrower's compliancy towards the HECM Case (For example: Annual Occupancy Certification, Hazard Insurance, etc.).
Disposition	Includes timelines to notify HUD if a borrower defaults on a loan (Loan is Due and Payable), and to track the loss mitigation options (For example: Short Sale, Deed-In-Lieu, etc.).
Requests	Includes specific requests that need HUD approval (For example: Zero Balance Letter, Certificate of Indebtedness, etc.).
Foreclosure	Includes foreclosure timelines to follow up on a foreclosure event.
Bankruptcy	Includes bankruptcy timelines to follow up on a bankruptcy event.
Release	Includes release timelines after disposition of the property (For example: Release 1st, Release 2nd).
Claims	Includes claims timelines that need HUD approval (For example: Claim Type 21 (DIL/FCL).

Table 7-1: Timeline Categories

In this chapter, the timeline categories have been separated into Endorsed and Assigned categories. Each of the timeline categories has two standard sub-menu options:

- **Search:** Allows authorized users to search timelines that have already been initiated within the timeline category.
- **Setup:** Allows authorized users to initiate a timeline within the timeline category.

7.1.1   Setup Criteria to Initiate Timelines

The setup screen for each of the timeline categories has common search criteria as listed below.

Field	Description
Loan Skey	Servicing Module system identification number unique to each loan.
Lender Loan #	Recorded identification number for each loan property (Enter a partial loan number if the complete address is not known).
FHA Case #	FHA case number of the loan (Enter a partial FHA case number if the complete FHA case # is not known).
Case Status	FHA case status (example: Endorsed).
Borrower LName	Last name of the borrower.
Property Address	Address of the loan property (Enter a partial address if the complete address is not known).
Property State	State where the loan property is located.
Case Sub-Status	Sub status of the case (example: Loan Active).
Lender Name	Lender of the HECM loan.
Servicer Name	Servicer of the HECM loan.
Investor Name	Investor of the HECM loan.
Index Type	Organization and type of interest rate based on the interest rates at which banks borrow unsecured funds from other.
Property County	County where the property is located.

Table 7-2: Search Criteria on the Setup Screen

7.1.2   Search Criteria for Timelines that have been Initiated

The search criteria vary slightly for each timeline. Search criteria can be divided into two sections:
- Loan information search criteria contain standard search criteria for a loan.
- Servicing management search criteria provides extra timeline-related criteria that will help narrow the search appropriate to timelines.

The below tables provides the list of search criteria fields on the timeline search screen. This screen is used to view or edit the timelines that were previously imitated using the setup screen.

7.1.2.1 All Loan Search Information Criteria

Field	Description
Loan Skey	Servicing Module system identification number unique to each loan.
Lender Loan #	Recorded identification number for each loan property (Enter a partial loan number if the complete address is not known).
FHA Case #	FHA case number of the loan (Enter a partial FHA case number if the complete FHA case # is not known).
Case Status	FHA case status (example: Endorsed).
Borrower LName	Last name of the borrower.

Field	Description
Property Address	Address of the loan property (Enter a partial address if the complete address is not known).
Property State	State where the loan property is located.
Case Sub-Status	Sub status of the case (example: Loan Active).
Lender Name	Lender of the HECM loan.
Servicer Name	Servicer of the HECM loan.
Investor Name	Investor of the HECM loan.

Table 7-3: All Loan Information Criteria

7.1.2.2 Servicing Management Search Criteria

Field	Description
Servicing Type	Type of the servicing activity associated with a loan, also known as the timeline.
Timeline Status	Indicator of whether the corresponding servicing activity on a loan is Active, Active Pending, Active Completed or Inactive.
Servicing Status	Next pending step of the active timeline.
Current Step Group	The current step group associated with a step.
Step	Servicing activity step associated with the servicing activity timeline.
Step Status	Indicator of whether the servicing timeline step is completed or is still pending completion by the user.
Scheduled Date	The date that a servicing activity step is scheduled to be completed by the user.
Completion Date	The date that a servicing activity step is actually completed by the user.
Step Group	The group associated with a step, for example, servicer, HUD contractor.
Attorney	For the Foreclosure timeline this is an additional search criteria which allow the user to search for the attorney of the foreclosure.
Case #	For the foreclosure and bankruptcy timelines this is an additional search criteria which allows the user to search for the case #.
Claim Status	Status of the claim.

Table 7-4: All Servicing Management Criteria

When a timeline is initiated, the system displays all standard steps needed to complete the business event. Along with the standard steps, optional steps can be added to the timeline. For certain timelines, the system automatically adds steps within the timelines when the trigger conditions for a previous steps are satisfied or a condition is met within the system. The trigger steps do not appear in the optional steps or the standard steps that appear when the timeline is created.

The system allows authorized users with permission to inactivate a step within the timeline. Only steps with pending status (completion date is not populated) can be made inactive using the **Edit Step window**.

A user can initiate one or more timelines for an activity based on the business rules to complete that activity. If a business rule does not allow multiple timelines for the same activity and for the same loan, the Servicing Module generates a validation message to indicate multiple timelines are not allowed.

Timeline Features

All timelines within the Servicing Module have the standard features listed below:

Feature	Description
Step Description	Each step within a timeline includes a brief description of the action or activity that needs to be performed for that step.
Step Group	Steps within the timeline identify the user group that must complete the activity associated with the step. The step can be completed only by users who are members of the relevant step group. The step groups within the Servicing Module are Servicer, HUD contractor and HUD. Only one step group is associated with each step.
Scheduled Date	Each timeline step has a scheduled date, this schedule date alerts the user regarding the time available to complete the step.
Completion Date	This date is populated by the user/system when the activity corresponding to the step is completed.

Table 7-5: Timeline Features

7.1.3   Additional Timeline Features

The table below provides the list of additional features for the timelines:

Feature	Description
Responsible Party	When the timeline is initiated, for HUD user groups, the system allows the assignment of a responsible party to manage the timeline. The responsible party is a HUD staff member that will follow up on the timeline and will ensure that the activities within the timeline are completed in a timely manner. The search screen for each timeline category has the responsible party as a query field to search and generate the workflow results.
Documents Upload	Some timelines have steps that require the step group to upload documentation supporting the completion of the activity. These steps cannot be completed without uploading the required documents. Once the documents are uploaded, the system will auto-save the documents on the documents tab. It will also provide a PDF icon beside the step to view the attached documents. Only documents in a PDF file format can be attached.
Letters/Forms	Some timeline steps have activities that require the generation of letters from the system. Similarly, certain steps have forms associated with the activity that require completion of the form. Such steps with letters/forms are distinguished in the system with a magnifying glass icon displayed beside the step. Only the step group associated with the step can view the magnifying glass icon. The system allows the member of the step group to edit the letter/form (if required) and print the document. Printing the document also auto-saves the document to the documents tab.

Note: No letters will be generated from the Servicing Module where the step group on the step in the timeline is Servicer. Servicers Letters will be generated from their own system. |

Table 7-6: Additional Timeline Features

The Servicing Module allows authorized users to Bulk Print letters associated with the following compliance timelines for Assigned loans. Refer to **Chapter 9** for more details:

- Occupancy Compliance Certification

- Insurance Flood Policy
- Insurance Hazard Policy
- Taxes Delinquent

7.1.4   Timeline Menu Options

In addition to the above features for timelines, the Servicing Module provides standard menu options for each timeline (visible per the permissions enabled for the user's role). Most of these menu options (with the exception of the Servicing Management screen) are available as part of the loan menu options and are covered in detail in **Chapter 5**.

7.1.4.1 Servicing Management Screen

The Servicing Management screen displays data fields captured when the timeline is initiated. These fields can be edited on the Servicing Management tab after the timeline has been initiated. For authorized user roles, this screen provides options to:

- Update timeline status (selectable options of active or inactive)
- Update the responsible party
- Various timelines have a selection of other fields that you can update

Figure 7-1: Servicing Management Tab

Figure 7-2: The Servicing Management Screen

7.1.4.2 Notes Screen

This screen displays the notes associated with the loan. When a key step for a timeline is completed, the system automatically creates a note to indicate the completion/status of the activity. This note can be viewed in the Notes screen for the selected loan. On this screen, users can also create new notes and filter notes based on the note type for a loan. Only authorized users can create, edit, or delete a note.

Figure 7-3: The Notes Screen

7.1.4.3 Documents Screen

This screen displays the documents that have been uploaded on the Documents screen. Authorized users can upload and delete documents. Any document that is uploaded via the timeline steps is auto-imaged on the Documents screen. Also, if the **Print** option is selected for any letters/forms the document is auto-saved on the Documents screen. Any document that is auto-imaged to the documents screen cannot be deleted from the system.

Figure 7-4: The Documents Screen

7.1.4.4 Contacts Screen

This screen displays the borrower and co-borrower information received from CHUMS at the time of loan setup. In addition, the screen enables authorized users to add new contacts, edit contact information for an existing contact, and delete a previously added contact (except for borrower and co-borrower).

Figure 7-5: The Contacts Screen

7.1.4.5 Alerts Screen

This screen displays the alerts associated with the loan. The Servicing Module automatically adds an alert when the alert condition is identified. In addition, authorized users can manually add an alert on the loan. All users have at least read-only access. Authorized users can add or edit an alert.

Figure 7-6: The Alerts Screen

7.2 Endorsed Timelines (Servicers Only)

The timelines in this section are initiated and completed by servicers. There is no HUD interaction.

7.2.1 Compliance Timelines

7.2.1.1 Occupancy Compliance Certification

A servicer initiates this timeline to ensure that the mortgagor is compliant with HECM occupancy rules and to complete the occupancy inspection process. This timeline is automatically initiated when a loan is established.

Multiple active Occupancy Compliance timelines cannot be initiated on a loan. The Servicing Management tab can be used to inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Occupancy Compliance Certification** timeline:

Step 1. From the **Endorsed** menu, select **Compliance** and click **Search**.

Step 2. On the **Endorsed Compliance Search** Screen, enter the search criteria with the **Servicing Type** set to **Occupancy Compliance Certification** and click **Search** to retrieve the timelines that have been auto-initiated by the system.

Figure 7-7: Setup Search – Endorsed Occupancy Compliance

Step 3. From the search results, select a loan to view or edit the timeline.

Step 4. The **Compliance Steps** screen for Occupancy Compliance Certification timeline is displayed.

Figure 7-8: Timeline Steps – Endorsed Occupancy Compliance Certification

Step 5. To complete any step in the timeline, click the step. Complete the steps in the timeline when the activity corresponding to the step is complete (For example: **Mail Annual Occupancy Certification Letter**, populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window).

Step 6. The completion date is populated beside the step **Mail Annual Occupancy Certification Letter** on the **Compliance Steps** screen.

Step 7. The step **Signed Anniversary Date** completion date is pre-populated with the timeline created date. If the Annual Occupancy Certification letter is received, then the step **Annual Occupancy Cert Letter Received** must be completed. To complete the step, select the step and populate the completion date, add a note in the **Notes** field if applicable, click **Submit** on the **Edit Step** window.

Step 8. If the Annual Occupancy Certification letter is not received, then the step **Mail Annual Occupancy 2ⁿᵈ Request Letter** is automatically added by the system after an overnight process. The following criteria must be satisfied: step **Signed Anniversary Date** and **Mail Annual Occupancy Certification Letter** are completed but step **Annual Occupancy Cert Letter Received** is not completed yet.

Step 9. The step **Telephone/Verbal Confirmation of Occupancy Made** is automatically added by the system. The following criteria must be satisfied: 30 days have passed since step **Signed Anniversary Date** completion and step **Annual Occupancy Cert Letter Received** is not completed yet.

Step 10. The step **Order Property Inspection and SSI Search** is automatically added by the system. The following criteria must be satisfied: 44 days have passed since the step **Signed Anniversary Date** completion and step **Annual Occupancy Cert Letter Received** is not completed yet.

Step 11. To complete the step **Annual Occupancy Cert Letter Received**, the following steps must be done first:
  o Mail Annual Occupancy 2nd Request Letter
  o Order Property Inspection and SSI Search

Step 12. The step **Received Property Inspection** is automatically added by the system. The following criteria must be satisfied: Nine days have passed since the step **Order Property Inspection and SSI Search** is completed.

Step 13. The step **Re-start Annual Occupancy Certification** is auto completed by the system when the scheduled date matches the current system date. The system triggers a new **Occupancy Compliance Certification** timeline when the step **Re-start Annual Occupancy Certification** is complete. The old timeline is automatically inactivated once a new timeline is created by the system.

Step 14. To add an optional step, click **New.**

Figure 7-9: New Step – Endorsed Occupancy Compliance Certification

Step 15. Select an optional step from the **Step Description** dropdown that needs to be added on the timeline and click **Submit** on the **New Step** window. The step will be added to the list of steps.

Step 16. To complete the step, select the step and populate the completion date, add a note in the **Notes** field if applicable, click **Submit** on the **Edit Step** window.

Step 17. Repeat the above instructions to add and complete other optional steps.

7.2.1.2 Insurance - Hazard Policy

A servicer initiates this timeline to verify actions required to comply with hazard insurance requirements. Hazard insurance insures the property in the event there is physical damage to the improvements on the property. When the servicer logs into the system, it displays an alert 30 days before the certification of insurance expires.

Multiple active Insurance Hazard Policy timelines cannot be initiated on a loan. The Servicing Management tab can be used to inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Insurance – Hazard Policy** timeline:

Step 1. From the **Endorsed** menu, select **Compliance** and click **Setup**.

Step 2. On the Endorsed Compliance Setup Search screen, enter the loan search criteria and click Search.

Figure 7-10: Setup Screen for an Endorsed-Hazard Policy Timeline

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** screen, select **Insurance Hazard Policy** from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk). The insurance information can be edited on the **Servicing Management** tab after the initiation of timeline.

Figure 7-11: Edit Servicing Management – Endorsed Hazard Policy

Step 5. Click the **Go to Servicing Steps after Submit** checkbox at the bottom of the **Edit Servicing Management** screen.

Step 6. Click **Submit**. (If you click **Cancel**, the **Endorsed Compliance Setup Search** Screen is displayed).

Step 7. The **Compliance Steps** screen for **Insurance Hazard Policy** timeline is displayed.

Figure 7-12: Timeline Steps – Endorsed Hazard Policy

Step 8. The first step **Policy Effective** completion date is pre-populated with the date the timeline was created.

Step 9. Complete the steps in the timeline when activity corresponding to the step is complete. To complete steps in the timeline, click the step. (For example: **Insurance Declaration Received**).

Step 10. Populate the completion date, add a note in the **Notes** field if applicable, and click **Submit** on the **Edit Step** window.

Step 11. The completion date is populated for **Insurance Declaration Received**.

Step 12. Repeat the above to complete the steps **Mail Renewal Verification Letter** and **Policy Expires.**

Step 13. The step **Send 2nd Request for Policy Verification** is automatically added by the system after an overnight process. The following criteria must be satisfied: One day has passed since completion of the step **Policy expires** and the step **Received Notification of Policy Cancellation** does not exist on the timeline.

Step 14. Complete the **Send 2nd Request for Policy Verification** step.

Step 15. The step **Notify Loan Counselor** is automatically added by the system. The following criteria must be satisfied: 14 or more days have passed since the completion of step **Send 2nd Request for Policy Verification** OR **Step Received Notification of Policy Cancellation** (this is an optional step) is completed.

Step 16. To add an optional step, click **New**.

Figure 7-13: New Step – Endorsed Hazard Policy

Step 17. Select an optional step from the **Step Description** dropdown that needs to be added on the timeline and click **Submit** on the new window. The step will be added to the list of steps.

Step 18. To complete the step, select it and populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

Step 19. Repeat the above instructions to add and complete other optional steps.

7.2.1.3 Insurance – Flood Policy

A servicer initiates this timeline to verify actions required to comply with flood insurance requirements. If a mortgaged property is located in a flood zone, the mortgagor is required to provide proof of flood insurance. If evidence of required flood insurance is not provided to the mortgagee, the loan could be considered in default.

Multiple active Insurance Flood Policy timelines cannot be initiated on a loan. The Servicing Management tab can be used to inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Insurance – Flood Policy** timeline:

Step 1. From the **Endorsed** menu, select **Compliance** and click **Setup**.

Step 2. On the **Endorsed Compliance Setup Search** Screen, enter the loan search criteria and click **Search.**

Figure 7-14: Setup Search – Endorsed Flood Policy

Step 3. Click a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** screen, select **Insurance Flood Policy** from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk). The insurance information can be edited on the **Servicing Management** tab after the timeline is initiated.

Figure 7-15: Edit Servicing Management – Endorsed Flood Policy

Step 5. Click the checkbox beside **Go to Servicing Steps after Submit** at the bottom of the **Edit Servicing Management** screen.

Step 6. Click **Submit**. (If you click **Cancel**, the **Endorsed Disposition Setup Search** Screen is displayed).

Step 7. The **Compliance Steps** screen for **Insurance Flood Policy** timeline is displayed.

Figure 7-16: Timeline Steps – Endorsed Flood Policy

Step 8. The **Policy Effective completion date** step is pre-populated with the timeline created date.

Step 9. Complete the steps in the timeline when the activity corresponding to the step is complete. To complete steps in the timeline, click the step (For example: **Insurance Declaration Received**).

Step 10. Populate the completion date, add a note in the **Notes** field if applicable, and click **Submit** on the **Edit Step** window.

Figure 7-17: Edit Step – Endorsed Flood Policy

Step 11. The completion date is populated beside the **Insurance Declaration Received** step.

Step 12. Repeat the steps above to complete the **Mail Renewal Verification Letter** and the **Policy Expires** steps.

Step 13. The step **Send 2ⁿᵈ Request for Policy Verification** is automatically added by the system after an overnight process. For the system to add this step, the following

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criteria must be satisfied: One day has passed since completion of step **Policy expires** and step **Received Notification of Policy Cancellation** does not exist on the timeline.

Step 14. Complete the **Send 2ⁿᵈ Request for Policy Verification** step.

Step 15. The step **Notify Loan Counselor** is automatically added by the system. For the system to add this step, the following criteria must be satisfied: 14 or more days have passed since completion of step **Send 2ⁿᵈ Request for Policy Verification** OR step **Received Notification of Policy Cancellation** (this is an optional step) is completed.

Figure 7-18: New Step – Endorsed Flood Policy

Step 16. Select an optional step from the **Step Description** dropdown that needs to be added on the timeline and click **Submit** on the new window. The step is added to the list of steps.

Step 17. To complete the step, select it and populate the completion date, add a note in the **Notes** field if applicable, and click **Submit** on the **Edit Step** window.

Step 18. Repeat the above instructions to add and complete other optional steps.

7.2.1.4 Insurance – Force Placed

A servicer initiates this timeline to verify actions required to comply with force placed insurance requirements. If a mortgagor fails to maintain and provide evidence of force placed insurance coverage on his or her property, the mortgagee could acquire force placed insurance on their behalf.

Multiple active Insurance Force Placed timelines cannot be initiated on a loan. The Servicing Management tab can be used to inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Insurance – Force Placed** timeline:

Step 1. From the **Endorsed** menu, select **Compliance** and click **Setup**.

Step 2. On the **Endorsed Compliance Setup Search** screen, enter the loan search criteria and click **Search**.

Figure 7-19: Setup Search – Endorsed Force Placed

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** screen, select **Insurance Force Placed** from the servicing type dropdown and populate the required fields (marked with an asterisk). The insurance information can be edited on the **Servicing Management** tab after the initiation of timeline.

Figure 7-20: Edit Servicing Management – Endorsed Force Placed

Step 5. Click the checkbox beside **Go to Servicing Steps after Submit** at the bottom of the **Edit Servicing Management** screen.

Step 6. Click **Submit** (If you click **Cancel**, the **Endorsed Compliance Setup Search** screen is displayed).

Step 7. The **Compliance Steps** screen for **Insurance Force Placed** timeline is displayed.

Figure 7-21: Timeline Steps – Endorsed Force Placed

Step 8. The Step **Policy Effective completion date** is pre-populated with the timeline created date.

Step 9. Complete the steps in the timeline when the activity corresponding to the step is complete. To complete steps in the timeline, click the step. (For example: **Insurance declaration received**).

Step 10. Populate the completion date, add a note in the **Notes** field if applicable, and click **Submit** on the **Edit Step** window.

Figure 7-22: Edit Step – Endorsed Force Placed

Step 11. The completion date is populated beside the step **Insurance Declaration Received.**

Step 12. Repeat the above to complete the steps **Mail Renewal Verification Letter** and step **Policy Expires**.

Step 13. The step **Send 2nd Request for Policy Verification** is automatically added by the system after an overnight process. The following criteria must be satisfied: One day has passed since completion of step **Policy expires** and step **Received Notification of Policy Cancellation** does not exist on the timeline.

Step 14.Complete the **Send 2ⁿᵈ Request for Policy Verification** step.

Step 15.The step **Notify Loan Counselor** is automatically added by the system. The following criteria must be satisfied: 14 or more days have passed since completion of Step **Send 2ⁿᵈ Request for Policy Verification** OR **Step Received Notification of Policy Cancellation** (this is an optional step) is completed.

Step 16.To add an optional step, click **New.**

Figure 7-23: New Step – Endorsed Force Placed

Step 17.Select an optional step from the **Step Description** dropdown that needs to be added on the timeline and click **Submit** on the new window. The step is added to the list of steps.

Step 18.To complete the step, select it and populate the completion date, add a note in the Notes field if applicable, click **Submit** on the **Edit Step window**.

Step 19.Repeat the above instructions to add and complete other optional steps.

7.2.1.5 Repairs

When a mortgagor needs to access Repair Set Aside funds, the Servicer will initiate this timeline to track the completion and payment of the repairs. This timeline can be initiated only if the loan has Repair Set Aside amount.

Multiple active Repairs timelines can be initiated on a loan to track multiple repairs. The Servicing Management tab can be used to inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Repair** timeline:

Step 1. From the **Endorsed** menu, select **Compliance** and click **Setup**.

Step 2. On the **Endorsed Compliance Setup Search** Screen, enter the loan search criteria and click **Search**.

Figure 7-24: Setup Search – Endorsed Repairs

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** screen, select Repair from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk). The repair information can be edited on the **Servicing Management** tab after the initiation of timeline.

Figure 7-25: Edit Servicing Management – Endorsed Repairs

Step 5. Click the **Go to Servicing Steps after Submit** checkbox (at the bottom of the **Edit Servicing Management** screen).

Step 6. Click **Submit**. (If you click **Cancel**, the **Endorsed Disposition Setup Search** Screen will be displayed).

Step 7. The **Compliance Steps** screen for the **Repairs** timeline is displayed.

Figure 7-26: Timeline Steps – Endorsed Repairs

Step 8. The step **Initiate Repair Administration** completion date is pre-populated with the timeline created date.

Step 9. Initiation Date is populated at the time of timeline initiation.

Step 10. Complete the remaining steps in the timeline when activity corresponding to the step is complete. To complete any step in the timeline, click the step (For example: **Obtain & Review Repair Rider & Appraisal**).

Figure 7-27: Edit Step – Endorsed Repairs

Step 11. Populate the completion date, add a note in the **Notes** field if applicable, click **Submit** on the **Edit Step** window.

Step 12. The completion date is populated beside the step **Obtain & Review Repair Rider & Appraisal** on the **Compliance Steps** screen.

Step 13. To add an optional step, click **New.**

Step 14. Select an optional step from the **Step Description** dropdown that needs to be added on the timeline and click **Submit** on the new window. The step will be added to the list of steps.

Step 15. To complete the step, select the step and populate the completion date, add a note in the **Notes** field if applicable, and click **Submit** on the **Edit Step** window.

Figure 7-28: Edit Step – Endorsed Repairs

Step 16. Repeat the above instructions to add and complete other optional steps.

Step 17. To add multiple **Repairs** timelines, repeat the steps to initiate and complete the timeline as mentioned above for the second timeline.

7.2.1.6 Taxes Delinquent

When the mortgagor defaults on taxes, the servicer initiates this timeline to track the tax payment. The delinquent notification is sent to the mortgagor requesting the tax payment to avoid the loan being Due and Payable.

Multiple active Taxes Delinquent timelines can be initiated on a loan to track multiple delinquencies. The Servicing Management tab can be used to inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Taxes Delinquent** timeline:

Step 1. From the **Endorsed** menu, select **Compliance** and click **Setup**.

Step 2. On the **Endorsed Compliance Setup Search** screen, enter the loan search criteria and click **Search**.

Figure 7-29: Setup Search – Endorsed Taxes Delinquent

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. The **Edit Servicing Management** screen is displayed.

Figure 7-30: Edit Servicing Management – Endorsed Taxes Delinquent

Step 5. Select **Taxes Delinquent** from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk).

Step 6. Click **Go to Servicing Steps after Submit** checkbox (at the bottom of the **Edit Servicing Management** screen).

Step 7. Click **Submit**. (If you click **Cancel**, the **Endorsed Compliance Setup Search** Screen will be displayed).

Step 8. The **Compliance Steps** screen for **Taxes Delinquent** timeline is displayed.

Figure 7-31: Timeline Steps – Endorsed Taxes Delinquent

Step 9. The step **Delinquent Notification Received** completion date is pre-populated with the timeline created date.

Step 10. Complete the remaining steps in the timeline when the corresponding is complete. To complete any step in the timeline, click the step, (For example: **Mail Borrower Delinquent Letter**).

Figure 7-32: Edit Step – Endorsed Taxes Delinquent

Step 11. Populate the completion date, add a note in the **Notes** field if applicable, click **Submit** on the **Edit Step** window.

Step 12. The completion date is populated beside the step **Mail Borrower Delinquent Letter** on the **Compliance Steps** screen.

Step 13. To trigger the step, **Mail Letter of Taxes Paid**, the following criteria must be satisfied: The optional step **Authorization Received/Pay Taxes** must be added on the timeline and completed.

Step 14. Repeat the steps above to complete the other remaining steps.

Step 15. To add an optional steps. Click **New.**

Step 16. Select an optional step from the **Step Description** dropdown that needs to be added on the timeline and click **Submit** on the new window. The step will be added to the list of steps.

Figure 7-33: New Step – Endorsed Taxes Delinquent

Step 17. To complete the step, select the step and populate the completion date, add a note in the Notes field if applicable, click **Submit** on the **Edit Step** window.

Step 18. Repeat the above instructions to add and complete other optional steps.

Step 19. To add multiple Taxes Delinquent timelines, repeat the steps to initiate and complete the timeline as mentioned above for the second timeline.

7.2.2   Dispositions Timelines

7.2.2.1 Due and Payable w/o HUD Approval

The Due & Payable without HUD Approval timeline is initiated by a servicer to notify HUD of the Due and Payable event. The servicer does not need HUD approval for the following default reasons: Conveyed Title and Death.

When a servicer populates the death date of the last surviving mortgagor (That is the death date entered on the Contact Screen), the system validates for the below and updates the loan sub statuses appropriately:-

- If one or more Non-Borrowing Spouse is/are active on the loan, the loan sub status is automatically updated to Payment Suspended. System will not allow user to manually initiate a Due & Payable w/o HUD Approval timeline.

- If all available Non-Borrowing Spouses are deactivated, the loan sub status is automatically updated to Due & Payable.

- If no Non-Borrowing Spouse is available on the loan, the loan sub status is automatically updated to Due & Payable.

However, the timeline must still be manually completed by the servicer.

For the default reason of Conveyed Title, the servicer must manually initiate the Due & Payable w/o HUD Approval timeline. When this timeline is initiated, the case sub-status is updated to Due and Payable. If the timeline is inactivated, the case sub-status is updated accordingly.

Multiple active Due & Payable w/o HUD Approval timelines cannot be initiated on a loan. The Servicing management tab can be used to activate or inactivate the timeline and update the default

date (only if default reason is Conveyed Title). Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Due & Payable** timeline – Default Reason of Death:

Step 1. From the menu, click **Loan**.

Step 2. On the **Loan Search** Screen, enter the search criteria and click **Search**.

Figure 7-34: Setup Search – Endorsed Due and Payable w/o HUD Approval

Step 3. From the search results, select a loan.

Step 4. The **Loan Balance** screen displays, click the **Contacts** tab on the left menu.

Figure 7-35: Loan Balance Screen Selecting Contacts

Step 5. Select the **Document icon** beside the last surviving borrower contact name.

Step 6. Populate the **Death Date** on the **contact information screen** and click **Submit**. The case sub-status is updated to **Due and Payable**. The system will automatically initiate the **Due and Payable w/o HUD approval** timeline for this loan.

Step 7. From the Endorsed menu, select **Disposition** and click **Search**.

Step 8. On the **Endorsed Disposition** search screen, enter the FHA Case # used in step 3 with **Servicing Type** set to **Due and Payable w/o HUD approval** and click **Search** to retrieve the timelines that have been auto-initiated by the system.

Step 9. From the search results, select the loan to view or edit the timeline.

Step 10. The **Disposition Steps** screen for **Due and Payable w/o HUD** approval timeline is displayed.

Figure 7-36: Timeline Steps – Endorsed Due and Payable w/o HUD Approval

Step 11. The step **Disposition Event Occurred** completion date is pre-populated with the death date. To edit the Create Date (due and payable notification date), select the **Servicing Mgmt** screen and click **Edit**.

Figure 7-37: Edit Servicing Management – Due & Payable w/o HUD Approval

Step 12. Complete the steps in the timeline when the activity corresponding to the step is complete. To complete any step in the timeline, click the step. (For example: **Obtain Appraisal**).

Step 13. Populate the completion date, add a note in the **Notes** field if applicable, and click **Submit** on the **Edit Step window**.

Step 14. The completion date is populated beside the step **Obtain Appraisal** on the **Disposition Steps** screen.

Step 15. To add an optional step, click **New.**

Figure 7-38: New Step – Endorsed Due and Payable w/o HUD Approval

Step 16.Select an optional step from the **Step Description** dropdown that needs to be added on the timeline and click **Submit** on the new window. The step will be added to the list of steps.
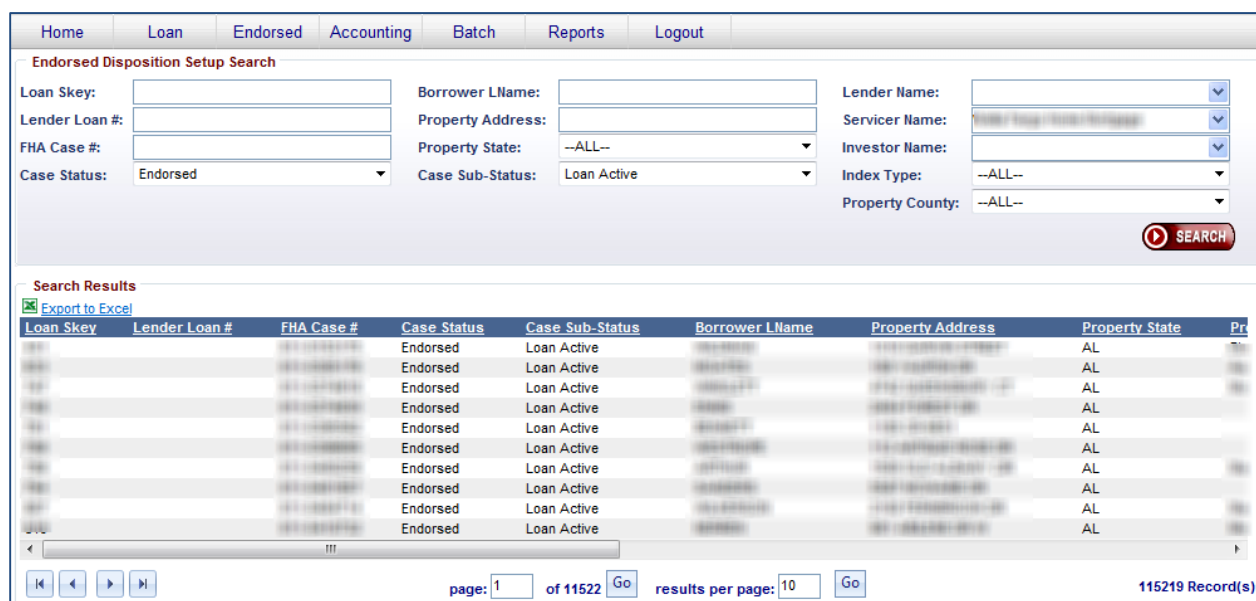
Step 17.To complete the step, select it and populate the completion date, add a note in the **Notes** field if applicable, click **Submit** on the **Edit Step window**.

Step 18.Repeat the above instructions to add and complete other optional steps.

To initiate and complete the **Due & Payable timeline** – Default Reason of Conveyed Title:

Step 1. From the **Endorsed** menu, select **Disposition** and click **Setup**.

Step 2. On the Endorsed Disposition Setup Search Screen, enter the loan search criteria and click **Search**.

Figure 7-39: Setup Search – Endorsed Due and Payable w/o HUD Approval

Step 3. From the search results, select a loan to initiate the timeline.

Figure 7-40: Edit Servicing Management – Endorsed Due and Payable w/o HUD Approval

Step 4. On the **Edit Servicing Management** screen, select **Due & Payable w/o HUD Approval** from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk). You must select **Conveyed Title** for **Default Reason** dropdown.

Step 5. Click **Go to Servicing Steps after Submit** checkbox (at the bottom of the **Edit Servicing Management** screen).

Step 6. Click **Submit**. If you click **Cancel**, the **Endorsed Disposition Setup Search** screen will be displayed.

Step 7. The **Disposition Steps** screen for **Due & Payable w/o HUD Approval** timeline is displayed.

Figure 7-41: Timeline Steps – Endorsed Due and Payable w/o HUD Approval

Step 8. The step **Disposition Event Occurred** completion date is pre-populated with the timeline created date.

Step 9. Complete the steps in the timeline when the activity corresponding to the step is complete. To complete any step in the timeline, click the step (For example: **Obtain Appraisal**).

Figure 7-42: Edit Step – Endorsed Due and Payable w/o HUD Approval

Step 10. Populate the completion date, add a note in the **Notes** field if applicable, and click **Submit** on the **Edit Step** window.

Step 11. The completion date is populated beside the step **Obtain Apprisal** on the **Disposition Steps** screen.

Step 12. To add an optional step, click **New.**

Step 13. Select an optional step from the **Step Description** dropdown that needs to be added on the timeline and click **Submit** on the new window. The step will be added to the list of steps.

Step 14. To complete the step, select it and populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

Step 15. Repeat the above instructions to add and complete other optional steps.

7.2.2.2 Loss Mitigation - Deed-in-Lieu

A servicer initiates a Loss Mitigation – Deed-in-Lieu timeline when a mortgagor or their estate is willing to surrender the property to the mortgagee and to be released of the mortgage obligations. Upon initiation of this timeline, the case sub-status is updated to DIL. If the timeline is inactivated, the case sub-status is updated accordingly.

Multiple active Loss Mitigation–Deed-in-Lieu timelines cannot be initiated on a loan. The Servicing Management tab can be used to inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Loss Mitigation – Deed-in-Lieu** timeline:

Step 1. From the **Endorsed** menu, select **Disposition** and click **Setup.**

Step 2. On the **Endorsed Disposition Setup Search** Screen, enter the loan search criteria and click **Search**.

Figure 7-43: Setup Search – Endorsed DIL

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** screen, select **Loss Mitigation – Deed-in-Lieu** from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk).

Figure 7-44: Edit Servicing Management – Endorsed DIL

Step 5. Click **Go to Servicing Steps after Submit** checkbox (at the bottom of the **Edit Servicing Management** screen).

Step 6. Click **Submit**. If you click **Cancel**, the **Endorsed Disposition Setup Search** Screen will be displayed.

Step 7. The **Disposition Steps** screen for the **Loss Mitigation – Deed-in-Lieu** timeline is displayed.

Figure 7-45: Timeline Steps – Endorsed DIL

Step 8. The step **Initiate DIL** completion date is pre-populated with the timeline created date.

Step 9. Complete the steps in the timeline when the activity corresponding to the step is complete. To complete any step in the timeline, click the step (For example: **Refer to Atty for DIL**).

Step 10. Populate the completion date, add a note in the **Notes** field if applicable, and click **Submit** on the **Edit Step** window.

Figure 7-46: Edit Step – Endorsed DIL

Step 11. The completion date is populated beside the step **Refer to Atty for DIL** on the **Disposition Steps** screen.

Step 12. To add an optional step, click **New.**

Figure 7-47: New Step – Endorsed DIL

Step 13. Select an optional step from the **Step Description** dropdown that needs to be added to the timeline and click **Submit** on the new window. The step will be added to the list of steps.

Step 14. To complete the step, select the step and populate the completion date, add a note in the **Notes** field if applicable, and click **Submit** on the **Edit Step** window.

Step 15. Repeat the above instructions to add and complete other optional steps

7.2.2.3 Loss Mitigation – Family Sale Pending

The servicer initiates this timeline to track the status on a pending family sale effort and to complete the process to terminate the loan. Upon initiation of this timeline, the case sub-status is updated to Family Sale Pending. If the timeline is inactivated, the case sub-status is updated accordingly.

Multiple active Loss Mitigation–Family Sale Pending timelines cannot be initiated on a loan. The Servicing Management tab can be used to inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Loss Mitigation – Family Sale Pending** timeline:

Step 1. From the **Endorsed** menu, select **Disposition** and click **Setup**.

Step 2. On the **Endorsed Disposition Setup Search** Screen, enter the loan search criteria and click **Search.**

Figure 7-48: Setup Search – Endorsed Family Sale Pending

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** screen, select **Loss Mitigation – Family Sale Pending** from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk).

Figure 7-49: Edit Servicing Management – Endorsed Family Sale Pending

Step 5. Click **Go to Servicing Steps after Submit** checkbox (at the bottom of the **Edit Servicing Management** screen).

Step 6. Click **Submit**. (If you click **Cancel**, the **Endorsed Disposition Setup Search** Screen is displayed).

Step 7. The **Disposition Steps** screen for **Loss Mitigation – Family Sale Pending** timeline is displayed.

Figure 7-50: Timeline Steps – Endorsed Family Sale Pending

Step 8. The step **Initiate Family Sale Pending** completion date is pre-populated with the timeline created date.

Step 9. Complete the steps in the timeline when the activity corresponding to the step   is complete. To complete any step in the timeline, click the step. (For example: **Received Listing Agreement**).

Step 10.Populate the completion date, add a note in the **Notes** field if applicable, and click **Submit** on the **Edit Step** window.

Figure 7-51: Edit Step – Endorsed Family Sale Pending

Step 11.The completion date is populated beside the step **Received Listing Agreement** on the **Disposition Steps** screen.

Step 12.To trigger the step **Follow up for Status of Sales Effort**, the following criteria must be satisfied:
o Less than 8 months since step Initiate Family Sale Pending was completed
o 30 or more days passed since optional step Follow Up was completed
o Step Received Sales Proceeds has not been completed

Step 13.Complete the **Follow up for Status of Sales Effort** step.

Step 14.To add an optional step, click **New.**

Step 15.Select an optional step from the **Step Description** dropdown that needs to be added to the timeline and click **Submit** on the new window. The step will be added to the list of steps.

Step 16.To complete the step, select it and populate the completion date, add a note in the **Notes** field if applicable, and click **Submit** on the **Edit Step** window.

Step 17.Repeat the above instructions to add and complete other optional steps.

7.2.2.4 Loss Mitigation – Short Sale

This timeline is initiated by a servicer to track a short sale on a HECM loan. A short sale is when a HECM loan is sold by the mortgagor for less than the payoff amount or less than the appraised value of the property. If the loan is Due & Payable, the property must sell for no less than the threshold percentage (as established by HUD) of the appraised value. If the loan is not Due & Payable, the sale price of the property must be the appraised value. When this timeline is completed, the case sub-status is updated to Short Sale Initiated. If the timeline is inactivated, the case sub-status is updated accordingly.

Multiple active Loss Mitigation–Short Sale timelines cannot be initiated on a loan. The Servicing Management tab can be used to inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Loss Mitigation–Short Sale** timeline:

Step 1. On the **Endorsed** menu, select **Disposition** and click **Setup.**

Step 2. On the **Endorsed Disposition Setup Search** screen, enter the loan search criteria and click **Search**.

Figure 7-52: Setup Search - Endorsed Short Sale

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. From the **Edit Servicing Management** screen, select **Loss Mitigation – Short Sale** from the Servicing Type dropdown and populate the required fields (marked with an asterisk). The short sale information can be edited on the Servicing Management tab after the initiation of the timeline.

Figure 7-53: Edit Servicing Management – Endorsed Short Sale

Step 5. Click the **Go to Servicing Steps** after Submit checkbox (at the bottom of the **Edit Servicing Management screen).**

Step 6. Click **Submit**. (If you click Cancel, the Endorsed Disposition Setup Search screen will be displayed).

Step 7. The **Disposition Steps** screen for **Loss Mitigation – Short Sale** timeline is displayed.

Figure 7-54: Timeline Steps – Endorsed Short Sale

Step 8. The step **Initiate Short Sale Process** completion date is pre-populated with the timeline created date.

Step 9. Complete the steps in the timeline when the activity corresponding to the step is complete. To complete any step in the timeline, click the step. (For example: **Received Required Documents)**.

Step 10. Populate the completion date, add a note in the **Notes** field if applicable, and click **Submit** on the **Edit Step** window.

Figure 7-55: Edit Step – Endorsed Short Sale

Step 11. The completion date is populated beside the step **Received Required Documents** on the **Disposition Steps** screen.

Step 12. To add an optional step, click **New.**

Step 13. Select an optional step from the **Step Description** dropdown that needs to be added on the timeline, and click **Submit** on the new window. The step will be added to the list of steps.

Step 14. To complete the step, select it and populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

Step 15. Repeat the above instructions to add and complete other optional steps.

7.2.2.5 Loss Mitigation – Pre-Foreclosure

If the mortgagor's loan becomes due and payable, a servicer initiates this timeline to track the pre-foreclosure activities. When this timeline is initiated, the case sub-status is updated to Loss Mit/Pre FCL. If the timeline is inactivated, the case sub-status is updated accordingly.

Multiple active Loss Mitigation – Pre-Foreclosure timelines cannot be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline and edit the attorney and contract information. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Loss Mitigation – Pre-foreclosure** timeline:

Step 1. From the **Endorsed** menu, select **Disposition**, and click **Setup**.

Step 2. On the **Endorsed Disposition Setup Search** Screen, enter the loan search criteria and click **Search**.

Figure 7-56: Setup Search – Endorsed Pre-Foreclosure

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** screen, select **Loss Mitigation – Pre-Foreclosure** from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk).

Figure 7-57: Edit Servicing Management – Endorsed Pre-Foreclosure

Step 5. Click the **Go to Servicing Steps after Submit** checkbox (at the bottom of the Edit Servicing Management screen).

Step 6. Click **Submit.** (If you click **Cancel**, the **Endorsed Disposition Setup Search** screen will be displayed).

Step 7. The **Disposition** Steps screen for **Loss Mitigation – Pre-Foreclosure** timeline is displayed.

Figure 7-58: Timeline Steps – Endorsed Pre-Foreclosure

Step 8. Complete the steps in the timeline when the activity corresponding to the step is complete. To complete any step in the timeline, click the step. (For example: **Servicer Prepares Foreclosure Documents).**

Step 9. Populate the completion date, add a note in the **Notes** field if applicable, and click **Submit** on the **Edit Step** window.

Step 10.The completion date is populated beside the step **Servicer Prepares Foreclosure Documents** on the **Disposition Steps** screen.

Figure 7-59: Edit Step – Endorsed Pre-Foreclosure

Step 11.Repeat the steps above to complete the other remaining steps.

Step 12.To add an optional step, click **New.**

Step 13.Select the optional step from the **Step Description** dropdown and click Submit on the new window. The step will be added to the list of steps.

Step 14.To complete the step, select it and populate the completion date, add a note in the **Notes** field if applicable, click **Submit** on the **Edit Step** window.

7.2.3 Request Timelines

7.2.3.1 Payoff Request

A servicer initiates this timeline to track the payoff request from the mortgagor to payoff his or her outstanding loan balance on a HECM loan. Upon the full payoff of the outstanding loan balance, a loan is terminated.

Multiple active Payoff Request timelines cannot be initiated on a loan. The Servicing Management tab can be used to inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Payoff Request** timeline:

Step 1. From the **Endorsed** menu, select **Requests** and click **Setup**.

Step 2. On the **Endorsed Requests Setup Search** screen, enter the loan search criteria and click **Search.**

Figure 7-60: Setup Search – Endorsed Payoff Request

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. From the **Edit Servicing Management** screen, select **Payoff Requests** from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk).

Figure 7-61: Edit Servicing Management – Endorsed Payoff Request

Step 5. Click the **Go to Servicing Steps after Submit** checkbox at the bottom of the **Edit Servicing Management s**creen.

Step 6. Click **Submit.** (If you click Cancel, the Endorsed Compliance Setup Search screen is displayed).

Step 7. The **Requests Steps** screen for **Payoff Requests** timeline is displayed.

Figure 7-62: Timeline Steps – Endorsed Payoff

Step 8. The step, **Payoff Request Received** completion date is pre-populated with the timeline created date.

Step 9. Complete the steps in the timeline when the activity corresponding to the step is complete. To complete any step in the timeline, click the step. (For example: **Issue Payoff Letter**).

Step 10.Populate the completion date, add a note in the **Notes** field if applicable, and click Submit on the **Edit Step** window.

Figure 7-63: Edit Step – Endorsed Payoff

Step 11. The completion date is populated beside the step **Issue Payoff Letter** on the **Requests Steps** screen.

Step 12. Repeat the steps above to complete the other remaining steps.

7.2.4   Foreclosure Timeline

The Servicer initiates this timeline to track the foreclosure process. The proceeds of the sale are issued to repay the debt. Upon initiation of this timeline, the case sub-status is updated to Foreclosure-Endorsed. If the timeline is inactivated the case sub-status is updated accordingly.

Multiple active foreclosure timelines cannot be initiated on a loan. The Servicing management tab can be used to activate or inactivate the timeline and edit the foreclosure information. Once a timeline is inactivated, none of the steps can be edited.

To initiate and complete a **Foreclosure** timeline:

Step 1. From the **Endorsed** menu, select **Foreclosure** and click Setup.

Step 2. On the **Endorsed Foreclosure Setup Search Screen**, enter the loan search criteria and click **Search.**

Figure 7-64: Setup Search – Endorsed Foreclosure

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management screen,** the foreclosure selection is prepopulated in the Servicing Type dropdown and grayed out. Populate the required fields (marked with an asterisk).

Figure 7-65: Edit Servicing Management – Endorsed Foreclosure

Step 5. Click **Go to Servicing Steps** after **Submit** checkbox (at the bottom of the **Edit Servicing Management** screen).

Step 6. Click **Submit.** (If you click Cancel, the Endorsed Foreclosure Setup Search screen is displayed).

Step 7. The **Foreclosure Steps** screen for the Foreclosure timeline is displayed.

Figure 7-66: Timeline Steps – Endorsed Foreclosure

Step 8. The step **Refer to Counsel** completion date is pre-populated with the timeline created date.

Step 9. Complete the steps in the timeline when the activity corresponding to the step is complete. To complete any step in the timeline, click the step. (For example: **Notice of Sale**).

Step 10. Populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

Figure 7-67: Edit Step – Endorsed Foreclosure

Step 11. The completion date is populated beside the step Notice of Sale on the **Foreclosure Steps** screen.

Step 12. To add an optional step, click **New.**

Step 13. Select an optional step from the **Step Description** dropdown that needs to be added on the timeline and click **Submit** on the new window. The step will be added to the list of steps.

Step 14. To complete the step, select it and populate the completion date, add a note in the **Notes** field if applicable, and click **Submit** on the **Edit Step** window.

Step 15. Repeat the above instructions to add and complete other optional steps.

7.2.5   Bankruptcy Timelines

7.2.5.1 Bankruptcy - Chapter 7

This timeline is manually initiated by a servicer to track a Chapter 7 bankruptcy event. A Chapter 7 bankruptcy releases the mortgagor from unsecured liabilities and retains their secured debt. When this timeline is initiated, the case sub-status is updated to Bankruptcy/Chapter 7. If the timeline is inactivated, the case sub-status is updated accordingly.

Multiple active Bankruptcy–Chapter 7 timelines cannot be initiated on a loan. The Servicing Management tab can be used to inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete a **Bankruptcy – Chapter 7** timeline:

Step 1. From the Endorsed menu, select Bankruptcy and click Setup.

Step 2. On the **Endorsed Bankruptcy Setup Search** screen, enter the loan search criteria and click **Search.**

Figure 7-68: Setup Search – Endorsed Bankruptcy Chapter 7

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** screen, select **Bankruptcy – Chapter 7** from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk).

Figure 7-69: Edit Servicing Management - Endorsed Bankruptcy Chapter 7

Step 5. Click the **Go to Servicing Steps after Submit** checkbox (at the bottom of the **Edit Servicing Management** screen).

Step 6. Click **Submit**. (If you click Cancel, the Endorsed Bankruptcy Setup Search Screen will be displayed).

Step 7. **The Bankruptcy Steps** screen for the **Bankruptcy – Chapter 7** timeline is displayed.

Figure 7-70: Timeline Steps – Endorsed Bankruptcy Chapter 7

Step 8. The first step, **BNK Filed – Chapter 7,** completion date is pre-populated with the timeline created date.

Step 9. To complete any step in the timeline, click the step. (For example: **Bankruptcy Notification is Received**).

Step 10. Populate the completion date, add a note in the **Notes** field if applicable, and click **Submit** on the **Edit Step** window.

Figure 7-71: Edit Step – Endorsed Bankruptcy Chapter 7

Step 11. The completion date is populated beside the step **Bankruptcy Notification is Received** on the **Bankruptcy Steps** screen.

Step 12. Repeat the steps above to complete the remaining steps.

Step 13. To add an optional step, click **New.**

Step 14. Select the optional step from the **Step Description** dropdown and click Submit on the new window. The step will be added to the list of steps.

Step 15. To complete the step, select it and populate the completion date, add a note in the Notes field if applicable, click **Submit** on the **Edit Step** window.

Step 16. Repeat the steps above to add and the additional optional steps.

7.2.5.2 Bankruptcy - Chapter 13

This timeline is manually initiated by Servicer to track a Chapter 13 bankruptcy event. When a Chapter 13 bankruptcy is filed, the court appoints a trustee and establishes a payment plan under a reorganization agreement. Upon initiation of this timeline, the case sub-status is updated to Bankruptcy/Chapter 13.

Multiple active Bankruptcy – Chapter 13 timelines cannot be initiated on a loan. The Servicing Management tab can be used to inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Bankruptcy – Chapter 13** timeline:

Step 1. From the **Endorsed** menu, select **Bankruptcy**, and click **Setup**.

Step 2. On the **Endorsed Bankruptcy Setup Search** screen, enter the loan search criteria and click Search.

Figure 7-72: Setup Search – Endorsed Bankruptcy Chapter 13

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** screen, select **Bankruptcy – Chapter 13** from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk).

Figure 7-73: Edit Servicing Management - Endorsed Bankruptcy Chapter 13

Step 5. Click the **Go to Servicing Steps after Submit** checkbox (at the bottom of the **Edit Servicing Management screen).**

Step 6. Click **Submit**. (If you click Cancel, the **Endorsed Bankruptcy Setup Search** screen will be displayed).

Step 7. The **Bankruptcy Steps** screen for **Bankruptcy – Chapter 13** timeline is displayed.

Figure 7-74: Timeline Steps – Endorsed Bankruptcy Chapter 13

Step 8. The first step, **BNK Filed – Chapter 13,** completion date is pre-populated with the timeline created date.

Step 9. To complete any step in the timeline, click the step. (For example: **Bankruptcy Notification is received)**.

Step 10. Populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

Figure 7-75: Edit Step – Endorsed Bankruptcy Chapter 13

Step 11. The completion date is populated beside step **Bankruptcy Notification is received** on the **Bankruptcy Steps** screen.

Step 12. Repeat the steps above to complete the remaining steps.

Step 13. To add an optional step, click **New.**

Step 14. Select the optional step from the Step Description dropdown and click Submit on the new window. The step will be added to the list of steps.

Step 15. To complete the step, select it and populate the completion date, add a note in the Notes field if applicable, click Submit on the Edit Step window.

Step 16. Repeat the steps above to add and the additional optional steps.

7.3   Endorsed Timelines (Servicers and HUD NSC Interaction)

These timelines require interaction between servicers and HUD.

7.3.1   Request Timelines

7.3.1.1 Certificate of Indebtedness

A HUD NSC Contractor initiates the Certificate of Indebtedness (COI) timeline when a request is received to show the loan balance or the total debt on HUD's second mortgage. This timeline is initiated and completed by the HUD NSC Contractor and does not require servicer interaction.

Multiple active Certificate of Indebtedness timelines can be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Certificate of Indebtedness** timeline:

Step 1. From the **Endorsed** menu, select **Request**, and click **Setup**.

Step 2. On the **Endorsed Request Setup Search** Screen, enter the loan search criteria and click **Search.**

Figure 7-76: Setup Search – Endorsed Certificate of Indebtedness

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** window, select Certificate of Indebtedness from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk).

Figure 7-77: Edit Servicing Management – Endorsed Certificate of Indebtedness

Step 5. Click the **Go to Servicing Steps after Submit** checkbox (at the bottom of the **Edit Servicing Management** Window).

Step 6. Click **Submit**. (If you click **Cancel**, the **Endorsed Request Setup Search** Screen will be displayed).

Step 7. The **Request Steps** screen for **Certificate of Indebtedness** timeline is displayed.

Figure 7-78: Timeline Steps – Endorsed Certificate of Indebtedness

Step 8. To complete any step in the timeline, click the step, for example, step **COI Request Received**.

Step 9. Populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

Step 10. The completion date is populated beside the step **COI Request Received** on the **Request Steps** screen.

Figure 7-79: Edit Step Window – Endorsed Certificate of Indebtedness

Step 11. To generate the **Certificate of Indebtedness Letter**, click the **magnifying glass** beside COI Sent to Requestor; the Certificate of Indebtedness Letter is displayed.

Step 12.The printer icon beside the step allows the HUD Contractor to auto-save the document to the **Documents** tab. Select the **printer icon** the Certificate of Indebtedness Letter is displayed. This action auto-saves the document in the Documents tab and auto-completes the step.

7.3.1.2 Consent of Lienholder

This timeline is initiated when the mortgagee receives a request from the mortgagor to consent to an action that would affect the mortgagee's interest in the property. With this timeline, the mortgagee submits their decision to HUD, who holds a second mortgage on the property. When consent is required from all lien holders, a servicer initiates this timeline. The request is reviewed and a recommendation is made by a HUD NSC Contractor to HUD. HUD reviews the recommendation and the submitted documents, and makes a decision. This timeline requires Servicer, HUD NSC Contractor and HUD interactions.

Multiple active Consent of Lienholder timelines cannot be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Consent of Lienholder** timeline:

7.3.1.2.1 Initiate Timeline – Servicer Activities

The servicer must perform the following steps to initiate the timeline:

Step 1. From the Endorsed menu, select **Request**, and click **Setup**.

Step 2. On the **Endorsed Request Setup Search** screen, enter the loan search criteria and click **Search.**

Figure 7-80: Setup Search – Endorsed Consent of Lienholder

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** window, select Consent of Lien Holder from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk).

Figure 7-81: Edit Servicing Management – Endorsed Consent of Lienholder

Step 5. Click the **Go to Servicing Steps after Submit** checkbox (at the bottom of the **Edit Servicing Management** Window).

Step 6. Click **Submit** (If you click **Cancel**, the **Endorsed Request Setup Search** screen is displayed).

Step 7. The **Request Steps** screen for **Consent of Lienholder** timeline is displayed.

Figure 7-82: Timeline Steps – Endorsed Consent of Lienholder

Step 8. The step **Initiate Consent of Lienholder** completion date is pre-populated with the timeline created date.

Step 9. For the step **Upload Consent of Lienholder Package,** the Complete Date is pre-populated with current system date. For this step, a servicer must upload the Consent of Lienholder Package document. The step cannot be completed without attaching the required document. Once the document is attached, a servicer will click **Submit** for the document to be attached. A PDF icon is added next to the step. Select this icon

to view the attached document. This document is also auto-saved in the Documents tab.

Figure 7-83: Edit Step – Endorsed Consent of Lienholder

7.3.1.2.2   HUD NSC Contractor and HUD NSC Staff Activities

HUD NSC Contractor must perform the following steps:

Step 1. Upon completion of Consent of Lienholder Package review, a HUD NSC Contractor will complete the step **Consent of Lienholder Request Reviewed**. To complete the step, select it and populate the completion date, add a note in the Notes field (if applicable), click **Submit** on the **Edit Step window**.

Step 2. Once a decision has been made about whether to approve, deny or request additional information. The HUD NSC Contractor adds the respective optional step.

Step 3. To add an optional step (Contractor Recommendation – Approved, Contractor Recommendation - Denied, or Contractor Recommendation – Pending Additional Info), click **New.**

Figure 7-84: New Step – Endorsed Consent of Lienholder

Step 4. Select an optional step from the **Step Description** dropdown (contractor Recommendation – Approved, contractor Recommendation - Denied, or contractor

Recommendation – Pending Additional Info) that needs to be added on the timeline, populate the completion date, and click **Submit** on the new window. The step will be added to the list of steps.

Step 5. The HUD NSC Contractor completes the step **Recommendation Sent to HUD** to let HUD know their recommendation. To complete the step, select the step and populate the completion date, add a note in the Notes field if applicable, click **Submit** on the **Edit Step window**.

HUD NSC staff must perform the following steps:

Step 6. The HUD NSC staff reviews the HUD NSC Contractor recommendation and makes a decision.

Step 7. Once a decision has been made about whether to approve, deny or request additional information. The HUD NSC staff adds the respective optional step.

Step 8. To add an optional step (HUD Decision – Approved, HUD Decision - Denied, or HUD Decision – Pending Additional Info), click **New**.

Figure 7-85: New Step – Endorsed Consent of Lienholder

Step 9. Select an optional step from the **Step Description** dropdown (HUD Decision– Approved, HUD Decision - Denied, or HUD Decision – Pending Additional Info) that needs to be added on the timeline, populate the completion date, click **Submit** on the new window. The step will be added to the list of steps.

o If the HUD NSC staff requested additional information, servicer must submit additional information for continuation of this timeline (refer to above steps for the review cycle).

o If the servicer does not submit the required documents within 45 days from the initial decision, then HUD NSC Contractor will add the optional step **Follow Up on Pending Information**.

HUD NSC Contractor must perform the following steps:

Step 10. The HUD NSC Contractor will generate the Consent of Lienholder decision letter.

Step 11. To generate the Consent of Lienholder Decision Letter, click the **magnifying glass** beside Servicer Notified of Decision. The Consent of Lienholder Decision letter is

displayed with options to preview or print the document. The letter displays the HUD decision.

Step 12. Update the letter (if pending additional information) and select the **Preview Document** link to view the updated document. To auto-save the changes made to the document, click the **Print Document** link. Click **Open** on the **File Download** window. This saves the **Consent of Lienholder Decision letter** to the **Documents** tab. Refresh the screen to auto complete the step with current system date.

7.3.1.3 Due and Payable w/ HUD Approval

A Due & Payable w/ HUD Approval timeline is initiated by a servicer to notify HUD of a Due and Payable event that requires HUD approval. A servicer initiates the timeline and HUD provides a decision (approve, deny, or request additional information to call the loan due and payable). When the timeline is initiated, the case sub-status is updated to Due and Payable. If the timeline is inactivated, the case sub-status is updated accordingly.

System will not allow user to initiate a Due & Payable w/ HUD Approval timeline manually, if one or more Non-Borrowing Spouse is active on the loan. The case sub-status is NOT updated to Due and Payable automatically, if one or more Non-Borrowing Spouse are active on the loan.

HUD approval is required for the following default reasons:
- Occupancy compliance
- Repairs and upkeep
- Residency
- Unpaid insurance
- Unpaid taxes
- Unpaid taxes and unpaid insurance
- Multiple active Due & Payable w/ HUD Approval timelines cannot be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline and update the default date and default reason. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Due and Payable w/ HUD Approval** timeline:

7.3.1.3.1   Initiate Timeline – Servicer Activities

The servicer must perform the following steps to initiate the timeline:

Step 1. From the **Endorsed** menu, select **Request**, and click

Step 2. On the **Endorsed Request Setup Search** screen, enter the loan search criteria and click Search.

Figure 7-86: Setup Search – Endorsed Due and Payable w/ HUD Approval

Step 3. From the search results, click a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** Screen, select Due & Payable w/ HUD Approval from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk). Note: The default date and reason can be edited on the Servicing Management tab after the initiation of timeline.

Figure 7-87: Edit Servicing Management Screen - Endorsed Due and Payable

Step 5. Click the **Go to Servicing Steps after Submit** checkbox (at the bottom of the **Edit Servicing Management** Window).

Step 6. Click **Submit** (If you click **Cancel**, the **Endorsed Request Setup Search** Screen will be displayed).

Step 7. The **Request Steps** screen for **Due & Payable w/ HUD Approval** timeline is displayed.

Figure 7-88: Timeline Steps – Endorsed Due and Payable w/HUD Approval

Step 8. The step **Disposition Even Occurred** completion date is pre-populated with the timeline created date.

Step 9. For the step **Upload Due & Payable Package,** the completion date will be pre-populated with the current system date. For this step, a servicer must upload the Due & Payable Package document. The step cannot be completed without attaching the required document. Once the document is attached, a servicer will click **Submit** for the document to be attached. A PDF icon is added next to the step. Select this icon to view the attached document. This document is also auto-saved in the Documents tab.

Figure 7-89: Edit Step - Endorsed Due and Payable

7.3.1.3.2 HUD NSC Contractor Activities

HUD NSC Contractor must perform the following steps:

Step 1. Upon completion of Due & Payable package review, a HUD NSC Contractor completes the step **Request to Call Due & Payable Reviewed**. To complete the step, select the step and populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

Step 2. Once a decision has been made whether to approve, deny or request additional information. The HUD NSC Contractor adds the respective optional step.

Step 3. To add an optional step (Approved, Denied, or Pending Additional Information), click **New.**

Figure 7-90: New Step – Endorsed Due and Payable

Step 4. Select an optional step from the **Step Description** dropdown that needs to be added on the timeline, populate the completion date, and click **Submit** on the new window. The step will be added to the list of steps. Upon addition of the timeline step **HUD Decision – Approved**, the case sub-status is updated to **Due & Payable**.

Step 5. To generate the Due and Payable Decision Letter, click the magnifying glass beside Servicer Notified of Decision. The Due and Payable letter is displayed with options to preview or print the document. The letter displays a HUD decision. Update the letter (if pending additional information) and select the Preview Document link to view the updated document. To auto-save the changes made to the document, click the Print Document link. Click Open on the File Download window. This action will save the Due and Payable letter to the Documents tab. Refresh the screen to auto complete the step with current system date.

7.3.1.3.3   Post Due & Payable Timeline – Servicer Activities

The servicer must perform the following steps:

Step 1. Upon receipt of Due and Payable decision, a servicer will complete the step **Notification of Decision Received** and step **Mail Notice of Repayment Upon notification sent to Borrower**, complete the step **Notification Sent to Borrower**.

Step 2. The servicer will complete the remaining steps based on the completion of activity.

Step 3. The servicer will add optional steps based on the loss mitigation activity negotiated with the mortgagor. To add an option step, click **New**.

Step 4. Select an optional step from the **Step Description** dropdown that needs to be added on the timeline and click **Submit** on the new window. The selected step will be added to the timeline.

Step 5. To complete the step, select the step and populate the completion date, add a note in the Notes field if applicable, click **Submit** on the **Edit Step** window.

Step 6. Repeat the above instructions to add and complete other optional steps.

7.3.1.4 Extension – Claim Filing

Mortgagees may request an extension to file the claim due to a pending sale, in which case a Servicer initiates this timeline 15 days before the end of the six-month period from the date the mortgagee acquired the title. Extensions may be approved up to 30 days to allow the sale to proceed. An active Claim Type 21 - DIL/FCL timeline must exist on the loan before the Extension-Claim Filing timeline can be initiated. Date of Possession and Acquisition of Marketable Title must be populated on Claim Type 21 to determine the expiration date on the Extension-Claim Filing timeline.

Multiple active Extension–Claim Filing timelines cannot be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline and update extension data fields. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Extension – Claim Filing** timeline:

7.3.1.4.1   Initiate Timeline – Servicer Activities

The servicer must perform the following steps to initiate the timeline:

Step 1. From the Endorsed menu, select **Request**, and click **Setup.**

Step 2. On the **Endorsed Request Setup Search** Screen, enter the loan search criteria and click **Search.**

Figure 7-91: Setup Search – Endorsed Claim Filing

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** Screen, select Subordination from the Servicing Type dropdown and populate the required fields (marked with an asterisk).

Figure 7-92: Edit Servicing Management Screen – Endorsed Claim Filing

Step 5. Click the **Go to Servicing Steps after Submit** checkbox (at the bottom of the **Edit Servicing Management** Window).

Step 6. Click **Submit** (If you click **Cancel**, the **Endorsed Request Setup Search** screen will be displayed).

Step 7. The **Request Steps** screen for **Extension – Claim Filing** timeline is displayed.

Figure 7-93: Timeline Steps – Endorsed Claim Filing

Step 8. The step **Initiate Extension - Claim Filing** completion date is pre-populated with the timeline created date.

Step 9. For the step **Upload Extension Package, the** completion date is pre-populated with the current system date. For this step, a servicer must upload the Extension Package document. The step cannot be completed without attaching the required document. Once the document is attached, a servicer will click **Submit** for the document to be attached. A PDF icon is added next to the step; select this icon to view the attached document. This document is also auto-saved in the Documents tab.

Figure 7-94: Edit Step Window – Endorsed Claim Filing

Step 10.The servicer must complete the step Submit Extension Request for Time. To complete the step, select the step, populate the completion date and click Submit on the Edit Step window.

Figure 7-95: Edit Step – Endorsed Claim Filing

7.3.1.4.2   HUD NSC Contractor Activities

HUD NSC Contractor must perform the following steps:

Step 11.The HUD NSC Contractor must complete the step **Request for Extension of Time Recd**. To complete the step, select the step, populate the completion date and click **Submit** on the **Edit Step** window.

Step 12.Upon completion of Extension Package review, a HUD NSC Contractor will complete the step **Extension Request Reviewed**. To complete the step, select the step and populate the completion date, add a note in the Notes field if applicable, click **Submit** on the **Edit Step** window.

Step 13.Once a decision has been made whether to approve, or deny the request. The HUD NSC Contractor adds the respective optional step.

Step 14. To add an optional step (HUD Decision -Approved, or HUD Decision -Denied), click **New**.

Figure 7-96: New Step – Endorsed Claim Filing

Step 15. Select an optional step from the **Step Description** dropdown that needs to be added on the timeline, populate the completion date, and click **Submit** on the new window. The step will be added to the list of steps. Upon approval, populate the Extension Expiration Date on the **Servicing Management** tab.

Step 16. A HUD NSC Contractor can add an optional Follow-up step to set a reminder to track and complete the timeline.

7.3.1.5 Extension – Deed-In-Lieu

Mortgagees may request an extension of time to negotiate a deed-in-lieu of foreclosure. A servicer will initiate the first Extension – DIL request within 30 days of the expiration of the second extension request to delay foreclosure. The system allows multiple active timelines for Extension – Deed-In-Lieu timelines. The second request should be initiated within 30 days of the expiration of the initial extension expiration date.

The Servicing Management tab can be used to activate or inactivate the timeline and update extension data fields. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Extension – Deed-In-Lieu** timeline:

7.3.1.5.1 Initiate Timeline – Servicer Activities

The servicer must perform the following steps to initiate the timeline:

Step 1. On the **Endorsed** menu, select **Request**, and click **Setup.**

Step 2. On the **Endorsed Request Setup Search** Screen, enter the loan search criteria and click **Search.**

Figure 7-97: Setup Search – Endorsed Extension – DIL

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** screen is displayed, select Extension – Deed-In-Lieu from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk).

Figure 7-98: Edit Servicing Management – Endorsed Extension –DIL

Step 5. Click the **Go to Servicing Steps after Submit** checkbox (at the bottom of the **Edit Servicing Management** screen).

Step 6. Click **Submit**. (If you click **Cancel**, the **Endorsed Request Setup Search** Screen will be displayed).

Step 7. The **Request Steps** screen for the **Extension – Deed-In-Lieu** timeline is displayed.

Figure 7-99: Timeline Steps – Endorsed Extenson – Deed-in-Lieu

Step 8. The Step Initiate Extension - DIL **Completion Date** is pre-populated with the creation date of the timeline.

Step 9. For the step **Upload Extension Package**, the **Completion Date** will be pre-populated with the current system date. For this step, a servicer must upload the Extension Package document. The step cannot be completed without attaching it. Once the document is attached, click **Submit**.

Step 10. A PDF icon is added next to the step; select this **PDF icon** to view the attached document. This document is also auto-saved in the Documents tab.

Figure 7-100: Edit Step – Upload Extension Package – Endorsed Extension – DIL

Step 11. The servicer must complete the step **Submit Extension Request for Time**. To complete the step, select the step, populate the **Completion Date** and click **Submit** on the **Edit Step window**.

7.3.1.5.2   HUD NSC Contractor Activities

HUD NSC Contractor must perform the following steps:

Step 1. The HUD NSC Contractor must complete the step **Request for Extension of Time Recd.** To complete the step, select the step, populate the **Completion Date** and click **Submit** on the **Edit Step window**.

Step 2. Upon completion of Extension Package review, a HUD NSC Contractor will complete the step Extension Request Reviewed. To complete the step, select the step and populate the completion date, add a note in the Notes field if applicable, click Submit on the Edit Step window.

Figure 7-101: Edit Step – Request Extension of Time Recd – Endorsed Extension – DIL

Step 3. Once a decision has been made whether to approve, or deny the request. The HUD NSC Contractor will add the respective optional step.

Step 4. To add an optional step (HUD Decision -Approved, or HUD Decision -Denied), click **New.**

Figure 7-102: New Step – Endorsed Extension – DIL

Step 5. Select an optional step from the **Step Description** dropdown that needs to be added on the timeline, populate the completion date, and click **Submit** on the new window. The step will be added to the list of steps. Upon approval, populate the Extension Expiration Date on the **Servicing Management** tab.

Step 6. A HUD NSC Contractor can add an optional **Follow-up** step to set a reminder to track and complete the timeline.

7.3.1.6 Extension – Repairs

When an initial repair is incomplete, a servicer requests an extension of time to allow the mortgagor to complete the repair. The initial request is initiated within 30 days of the expiration of the Repair Rider date. When the initial request is initiated, the Servicing Module defaults the request field to First. The system allows multiple active Extension-Repairs timelines. The second request should be initiated within 30 days of the expiration of the initial Extension Expiration date. When initiating the second request, the Servicing Module defaults the request field to Subsequent.

The Servicing Management tab can be used to activate or inactivate the timeline and extension data fields. Once the timeline is inactivated, the steps can no longer be edited. The field Repair Rider Expiration Date can be edited by a servicer until the Extension Expiration Date is populated, after which the servicer cannot edit the Repair Rider Expiration Date. However, the authorized HUD NSC staff and HUD NSC Contractor can still edit the field. The repair rider expiration date must be greater than the closing date and less than or equal to number of months (as established by HUD) from the closing date.

The Extension Expiration Date field can be edited only by authorized HUD NSC staff and HUD NSC Contractors. For the first extension request, this date must be less than or equal to a certain number of days (as established by HUD) from the repair rider expiration date. For a subsequent request, this date must be less than or equal to

- the number of days (as established by HUD) from the first extension expiration date or
- the number of months (as established by HUD) from the closing date.

To initiate and complete the **Extension – Repair** timeline:

7.3.1.6.1 Initiate Timeline – Servicer Activities

The servicer must perform the following steps to initiate the timeline:

Step 1. From the **Endorsed** menu, select **Request**, and click **Setup**.

Step 2. On the Endorsed Request Setup Search screen, enter the loan search criteria and click Search.

Figure 7-103: Setup Search – Endorsed Extension-Repairs

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** screen, select Extension – Repair from the Servicing Type dropdown and populate the required fields (marked with an asterisk).

Step 5. Click the **Go to Servicing Steps after Submit** checkbox (at the bottom of the **Edit Servicing Management** screen).

Figure 7-104: Edit Servicing Management - Endorsed Extension Repairs

Step 6. Click **Submit**. (If you click **Cancel**, the **Endorsed Request Setup Search** Screen will be displayed).

Step 7. The **Request Steps** screen for **Extension – Repairs** timeline is displayed.

Figure 7-105: Timeline Steps – Endorsed Repairs

Step 8. The step **Initiate Extension - Repairs** completion date is pre-populated with the timeline created date.

Step 9. For the step **Upload Extension Package,** the completion date will be pre-populated with the current system date. For this step, a servicer must upload the Extension Package document. The step cannot be completed without attaching the required document. Once the document is attached, a servicer will click **Submit** for the document to be attached.

Step 10.A PDF icon is added next to the step, select the **PDF icon** to view the attached document. This document is also auto-saved in the Documents tab.

Figure 7-106: Edit Step – Upload Extension Package – Endorsed Extension – Repairs

Step 11.The servicer must complete the step **Submit Extension Request for Time**. To complete the step, select the step, populate the completion date and click **Submit** on the **Edit step** window.

7.3.1.6.2   HUD NSC Contractor Activities

HUD NSC Contractor must perform the following steps:

Step 1. The HUD NSC Contractor must complete the step **Request for Extension of Time Recd**. To complete the step, select it, populate the completion date and click **Submit** on the **Edit step** window.

Figure 7-107: Edit Step – Request Extension of Time Recd – Endorsed Extension-Repairs

Step 2. Upon completion of Extension Package review, HUD NSC Contractor will complete the step **Extension Request Reviewed**. To complete the step, select it and populate the completion date, add a note in the **Notes** field if applicable, and click **Submit** on the **Edit Step** window.

Step 3. Once a decision has been made about whether to approve, or deny the request, the HUD NSC Contractor will add the respective optional step.

Step 4. To add an optional step (HUD Decision -Approved, or HUD Decision -Denied), click **New.**

Figure 7-108: New Step – Endorsed Extension – Repairs

Step 5. Select an optional step from the **Step Description** dropdown that needs to be added on the timeline, populate the completion date, and click **Submit** on the **New Step** window. The step will be added to the list of steps. Upon approval, populate the Extension Expiration Date on the **Servicing Management** tab.

Step 6. A HUD NSC Contractor can add an optional **Follow-up** step to set a reminder to track and complete the timeline.

7.3.1.7 Extension – Request to Delay Foreclosure

A mortgagee may request an extension of time to institute foreclosure. A servicer initiates this timeline before the expiration date of the six-month time period of foreclosure from the Due and

Payable notification date (The step **Servicer Notified of the Decision** must be completed on Due and Payable w/ HUD approval timeline, this step is not needed for Due and Payable w/o HUD Approval timeline), but not earlier than a certain number of days (as established by HUD) in advance of the expiration date.

Servicing Module allows multiple active timelines for Extension – Request to Delay Foreclosure timelines. When the second request is initiated it will inactivate the first request. The second request should be initiated within 30 days of the expiration of the prior Extension Expiration date. The system will auto-approve the first two extension requests with the expiration date equal to number of days (as established by HUD) from the request submitted date. The third request must be manually reviewed and approved.

The Servicing Management tab can be used to activate or inactivate the timeline and update extension data fields. Once inactivated all the steps within the timeline are greyed out and cannot be edited. The extension expiration date can be populated on the Notes tab by selecting the Note associated with the extension request (applicable only from third request).

To initiate and complete the **Extension – Request to Delay Foreclosure** timeline:

7.3.1.7.1   Initiate Timeline – Servicer Activities

The servicer must perform the following steps to initiate the timeline:

Step 1. On the Endorsed menu, select **Request,** and click **Setup**.

Step 2. On the Endorsed Request Setup Search Screen, enter the loan search criteria and click Search.

Figure 7-109: Setup Search – Endorsed Extension-Request to Delay Foreclosure

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** screen, select Extension – Request to Delay Foreclosure from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk).

Figure 7-110: Edit Servicing Management – Extension – Request to Delay Foreclosure

Step 5. Click the **Go to Servicing Steps after Submit** checkbox (at the bottom of the **Edit Servicing Management** screen).

Step 6. Click **Submit**. (If you click **Cancel**, the **Endorsed Request Setup Search** screen will be displayed).

Step 7. The **Request Steps** screen for Extension – Request to Delay Foreclosure timeline is displayed.

Figure 7-111: Timeline Steps – Endorsed Extension – Request to Delay Foreclosure

Step 8. The step **Initiate Extension – Request to Delay Foreclosure** completion date is pre-populated with the timeline created date.

Step 9. For the step **Upload Extension Package,** the completion date will be pre-populated with current system date. For this step, a servicer must upload the Extension Package document. The step cannot be completed without attaching the required document.

Once the document is attached, a servicer will click **Submit** for the document to be attached.

Step 10. A PDF icon is added next to the step, select the **PDF icon** to view the attached document. This document is also auto-saved in the Documents tab.

Figure 7-112: Edit Step – Endorsed Request to Delay Foreclosure

Step 11. The servicer must complete the step Submit Extension Request for Time. To complete the step, select it, populate the completion date and click **Submit** on the **Edit Step** window.

7.3.1.7.2 HUD NSC Contractor Activities

HUD NSC Contractor must perform the following steps:

Step 1. The HUD NSC Contractor must complete the step **Request for Extension of Time Recd.** To complete the step, select the step, populate the completion date and click **Submit** on the **Edit Step** window.

Figure 7-113: Edit Step – Endorsed Extension – Requst to Delay Foreclosure

Step 2. Upon completion of Extension Package review, a HUD NSC Contractor will complete the step **Extension Request Reviewed**. To complete the step, select the step and

populate the completion date, add a note in the Notes field if applicable, click **Submit** on the **Edit Step window**.

Step 3. Once a decision has been made whether to approve, or deny the request. The HUD NSC Contractor will add the respective optional step.

Step 4. To add an optional step (HUD Decision -Approved, or HUD Decision -Denied), click **New.**

Figure 7-114: New Step – Endorsed Extension – Request to Delay Foreclosure

Step 5. Select an optional step from the **Step Description** dropdown that needs to be added on the timeline, populate the completion date, and click **Submit** on the new window. The step will be added to the list of steps.

Step 6. A HUD NSC Contractor can add an optional Follow-up step to set a reminder to track and complete the timeline.

7.3.1.8 Investor Short Sale

This timeline is initiated by a servicer to track a short sale after acquisition of the property. A HUD contractor reviews and approves the short sale offer. When this timeline is completed, the case sub-status is updated to Short Sale Initiated. If the timeline is inactivated, the case sub-status is updated accordingly.

Multiple active Investor Short Sale timelines cannot be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline and update the short sale information. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Investor Short Sale** timeline:

7.3.1.8.1   Initiate Timeline – Servicer Activities

The servicer must perform the following steps to initiate the timeline:

Step 1. On the **Endorsed** menu, select **Request** and click **Setup.**

Step 2. On the **Endorsed Request Setup Search** Screen, enter the loan search criteria and click **Search.**

Figure 7-115: Setup Search – Endorsed Investor Short Sale

Step 3. From the search results, click a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** screen, select Investor Short Sale from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk). The short sale information can be edited on the **Servicing Management** tab after the initiation of timeline.

Figure 7-116: Edit Servicing Management - Endorsed Extension – Short Sale

Step 5. Click the **Go to Servicing Steps after Submit** checkbox (at the bottom of the **Edit Servicing Management** screen).

Step 6. Click **Submit**. (If you click **Cancel**, the **Endorsed Request Setup Search** Screen will be displayed).

Step 7. The **Request Steps** screen for Investor Short Sale timeline is displayed.

Figure 7-117: Timeline Steps – Endorsed Investor Short Sale

Step 8. The step **Initiate Investor Short Sale Process** completion date is pre-populated with the timeline created date.

Step 9. To complete any step in the timeline, click the step. (For example: **Received Required Documents**).

Step 10. Populate the completion date, add a note in the **Notes** field if applicable, and click **Submit** on the **Edit Step** window.

Figure 7-118: Edit Step – Received Required Documents - Endorsed Investor Short Sale

Step 11. The completion date is populated beside the step **Received Required Documents** on the Request Steps screen.

Step 12. For the step **Upload Short Sale package to HUD.** The completion date will be pre-populated with the current system date. For this step, a servicer must upload the Short Sale package document. The step cannot be completed without attaching the required document. Once the document is attached, a servicer will click **Submit** for the document to be saved. This document is also auto-saved in the **Documents** tab.

Step 13. Add the appraisal value obtained for the short sale on the **Property Values** screen. Refer to section 5.7.2.2 for instructions to add the property value.

7.3.1.8.2 HUD NSC Contractor Activities

HUD NSC Contractor must perform the following steps:

Step 1. Upon completion of Short Sale package review, a HUD NSC Contractor will add the optional step and complete the step **Short Sale request Reviewed.**

Step 2. Once a decision has been made whether to approve, deny or request additional information. The HUD NSC Contractor will add the respective optional step.

Step 3. To add an optional step (Short Sale Approved by HUD, Short Sale Denied by HUD, or Short Sale Pending), click **New.**

Figure 7-119: New Step – Endorsed Investor Short Sale

Step 4. Select an optional step from the **Step Description** dropdown that needs to be added on the timeline, populate the completion date, and click **Submit** on the new window. The step will be added to the list of steps.

- o **If the decision is Short Sale Pending**: The Short Sale Pending Letter is available. To generate the Short Sale Pending Letter, click on the **magnifying glass** beside the Short Sale Pending step. The Short Sale Pending Letter is displayed with options to preview or print the document. The letter displays the list of additional documents with options to check the required document, update the letter and click the **Preview Document** link to view the updated document. To auto-save the changes made to the document, click **Print** Document. Click **Open** on the File Download pop-up window. This action will save the Short Sale Pending Letter to the Documents tab. Refresh the screen to auto complete the step with current system date.

- o **If the decision is Short Sale Approved or Denied by HUD:** The Short Sale Approval/Disapproval letter is available. To generate the Short Sale Approval/Disapproval letter, click on the magnifying glass beside step "Servicer Notified of Decision", the Short Sale Approval/Disapproval letter is displayed with options to Preview Document and Print Document. The letter displays a HUD decision, update the letter and select the Preview Document link to view the updated document. To auto-save the changes made to the document select the Print Document link. Select Open button on the File Download pop-up window. This action will save the Short Sale Calculation Worksheet to the Documents tab. Refresh the screen to auto complete the step with current system date.

7.3.1.8.3 Servicer and HUD NSC Contractor Activities

If the decision by the HUD NSC Contractor is Pending Additional Information then:

Step 1. **HUD NSC Contractor Activity:** Upon submission of additional information by servicer, a HUD NSC Contractor reviews the additional documents requested and adds the optional step – **Received Required additional Information**. This action triggers addition of a new step **Received Closing Proceeds** by the system.

o If a servicer does not submit the required documents within 45 days from the initial decision, a HUD NSC Contractor adds the optional step, Follow-up on Pending Information.

Step 2. **Servicer Activity:** The step **Received Closing Proceeds** must be completed by the servicer.

7.3.1.9 Partial Release

This timeline is initiated by the Servicer when the mortgagee receives a request from the mortgagor to release a portion of the property secured by the HECM mortgage. With this timeline, the mortgagee submits their decision to HUD, who holds a second mortgage on the property. The request is reviewed and a recommendation is made by a HUD NSC Contractor to HUD. A HUD staff member reviews a HUD NSC Contractor recommendation and the submitted documents, and makes a decision. This timeline requires Servicer, HUD NSC Contractor and HUD interaction.

Multiple active Partial Release timelines cannot be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline and update release details such as reason for release, amount offered, and description of land to be released. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Partial Release** timeline:

7.3.1.9.1 Initiate Timeline – Servicer Activities

The servicer must perform the following steps to initiate the timeline:

Step 1. On the Endorsed menu, select **Request,** and click **Setup.**

Step 2. On the **Endorsed Request Setup Search** Screen, enter the loan search criteria and click **Search.**

Figure 7-120: Setup Search – Endorsed Partial Release

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** screen, select Partial Release from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk).

Figure 7-121: Edit Servicing Management - Endorsed Partial Release

Step 5. Click the **Go to Servicing Steps after Submit** checkbox (at the bottom of the **Edit Servicing Management** screen). Details of the partial release such as reason, amount offered and description of land to be released can be edited on the Servicing Management tab after initiation of the timeline.

Step 6. Click **Submit**. (If you click **Cancel**, the **Endorsed Request Setup Search** screen will be displayed).

Step 7. The **Request Steps** screen for **Partial Release** timeline is displayed.

Figure 7-122: Timeline Steps – Endorsed Partial Release

Step 8. The Step **Initiate Partial Release** completion date is pre-populated with the timeline created date.

Step 9. For Step **Upload Partial Release Package** the Complete Date will be pre-populated with current system date. For this step, a servicer must upload the Partial Release Package document. The step cannot be completed without attaching the required document. Once the document is attached, a servicer will click **Submit** for the document to be attached. A PDF icon is added next to the step; select this icon to view the attached document. This document is also auto-saved in the Documents tab.

7.3.1.9.2   HUD NSC Contractor and HUD NSC Staff Activities

HUD NSC Contractor and HUD NSC Staff must perform the following steps:

Step 1. Upon completion of the Partial Release Package review, a HUD NSC Contractor will complete the step **Partial Release Package Reviewed**. To complete the step, select the step and populate the completion date, add a note in the Notes field if applicable, click **Submit** on the **Edit Step** window.

Figure 7-123: Edit Step – Partial Release Package Received - Endorsed Partial Release

Step 2. Once a decision has been made whether to approve, deny or request additional information. The HUD NSC Contractor will add the respective optional step.

Step 3. To add an optional step (Approved, Denied, or Pending Additional Information), click **New.**

Step 4. Select an optional step from the Sep Description dropdown (Contractor Recommendation - Approved, Contractor Recommendation -Denied, or Contractor Review - Pending Additional Info) that needs to be added on the timeline, populate the completion date, click **Submit** on the new window. The step will be added to the list of steps.

Step 5. The HUD NSC Contractor will complete the step **Recommendation Sent to HUD** to let HUD know their recommendation. To complete the step, select the step and populate the completion date, add a note in the Notes field if applicable, click **Submit** on the **Edit Step** window.

HUD NSC staff must perform the following steps:

Step 6. The HUD NSC staff will review the recommendation and make a decision.

Step 7. Once a decision has been made about whether to approve, deny or request additional information. The HUD NSC staff will add the respective optional step.

Step 8. To add an optional step (HUD Decision – Approved, HUD Decision – Approved with Contingency, HUD Decision - Denied, or HUD Decision – Pending Additional Info), click **New.**

Figure 7-124: New Step – Endorsed Partial Release

Step 9. Select an optional step from the **Step Description** dropdown (HUD Decision – Approved, HUD Decision – Approved with Contingency, HUD Decision - Denied, or HUD Decision – Pending Additional Info) that needs to be added on the timeline, populate the completion date, click **Submit** on the new window. The step will be added to the list of steps.

The next steps must be completed by HUD NSC Contractor:

Step 10. The HUD NSC Contractor will generate the Partial Release decision letter.

Step 11. To generate the Partial Release Decision Letter, click the magnifying glass beside Servicer Notified of Decision, the Modify Letter Fields window is displayed. Edit the subject and salutation and select **OK**. The Partial Release Decision Letter is displayed. Note: The HUD decision chosen via the optional step will be pre-populated in this letter.

Step 12. The **printer icon** beside the step allows the HUD Contractor to auto-save the document to the Documents tab. Select the printer icon, the Modify Letter Fields window is displayed. Edit the Subject and select "OK". The Partial Release Decision Letter is displayed. This action auto-saves the document in the Documents tab and auto-completes the step.

Step 13. If the HUD NSC staff requested more information, upon submission of the information, a HUD NSC Contractor reviews the additional documents requested and adds the optional step, Received Required Additional Information.

Step 14. The HUD NSC Contractor updates the decision by selecting the appropriate optional step (approved, denied, or pending additional information) followed by the HUD NSC staff decision. If a servicer does not submit the required documents within 45 days from the initial decision, a HUD NSC Contractor adds the optional step, Follow Up on Pending Information.

7.3.1.10 Preservation and Protection

This timeline is initiated by a servicer when the Preservation and Protection expenses exceed the state allowable limits and HUD contractor/ HUD approval is needed on the additional expenses. This timeline requires HUD interaction to review and make a decision on the request.

Multiple active Preservation and Protection timelines can be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Preservation and Protection** timeline:

7.3.1.10.1   Initiate Timeline – Servicer Activities

The servicer must perform the following steps to initiate the timeline:

Step 1. On the Endorsed menu, select **Reques**t, and click **Setup.**

Step 2. On the **Endorsed Request Setup Search** Screen, enter the loan search criteria and click **Search.**

Figure 7-125: Setup Search – Endorsed Preservation and Protection

Step 3. From the search results, select a loan to initiate the timeline

Step 4. On the **Edit Servicing Management** screen select Preservation and Protection from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk).

Figure 7-126: Edit Servicing Management - Endorsed Preservation and Protecton

Step 5. Click the **Go to Servicing Steps after Submit** checkbox (at the bottom of the **Edit Servicing Management** screen).

Step 6. Click **Submit**. (If you click **Cancel**, the **Endorsed Request Setup Search** screen will be displayed).

Step 7. The **Request Steps** screen for **Preservation and Protection** timeline is displayed.

Figure 7-127: Timeline Steps – Endorsed Preservation and Protection

Step 8. The step **Initiate Request to Exceed Costs for P&P** completion date is pre-populated with the timeline created date.

Step 9. The step **Upload P&P Package the Complete Date** will be pre-populated with the current system date. For this step, a servicer must upload the P&P Package document.

The step cannot be completed without attaching the required document. Once the document is attached, a servicer will click **Submit** for the document to be attached.

Step 10. A PDF icon is added next to the step; select the **PDF icon** to view the attached document. This document is also auto-saved in the Documents tab.

Step 11. The servicer will select the Preserve & Protect tab to add the additional expenses that require HUD review and approval.

Figure 7-128: Preservation and Protection Tab

Step 12. Click **New.**

Figure 7-129: New Request for Preservation and Protection

Step 13. On the New window, populate the details of the expense (required fields marked with an asterisk). Click **Submit** to add the expense. Repeat the step for additional expenses. Upon completion of expenses, select the Request Steps tab.

Step 14. The servicer must generate the P&P request exceed cost letter.

Step 15. To submit the P&P request exceed cost letter, click the printer icon beside Send P&P Package to HUD, the **Modify Letter Fields** window is displayed. Edit the fields and select **OK**. The P&P request exceed cost letter is displayed with the updates and the additional expenses added on the Preserve & Protect tab. Once the letter is closed, the letter is submitted and is auto-saved in the **Documents** tab.

Step 16. The step **Send P&P Package to HUD** is auto-completed by the system.

7.3.1.10.2 HUD NSC Contractor Activities

HUD NSC Contractor must perform the following steps:

Step 1. Upon completion of the Request to Exceed Package review, a HUD NSC Contractor will complete the step Request to Exceed Package Reviewed. To complete the step, select the step, populate the completion date and click **Submit** on the **Edit Step** window.

Step 2. The HUD NSC Contractor will select the **Preserve & Protect** tab to approve or deny the request.

Figure 7-130: Preservation and Protection tab

Step 3. The HUD NSC Contractor will select the **edit document icon** beside the expense previously submitted by the Servicer. On the **Edit Request** window, the HUD NSC Contractor will select the dropdown for HUD Decision field.

Figure 7-131: Edit Request for Preservation and Protection

Step 4. If Approved is selected, HUD NSC Contractor must enter the approved amount and optionally enter the HUD Remarks and click **Submit**.

Step 5. If Denied is selected, HUD NSC Contractor may optionally enter the HUD Remarks and click **Submit**.

Step 6. If Pending is selected, HUD NSC Contractor may optionally enter the HUD Remarks and click **Submit**.

Step 7. Upon completion of decision, select the **Request Steps** tab.

Step 8. The HUD NSC Contractor will add an optional step (Approved, Denied, or Pending) indicating HUD NSC Contractor decision. To add the step, click **New**.

Step 9. Select an optional step from the **Step Description** dropdown that needs to be added on the timeline (HUD Decision -Approved, HUD Decision -Denied, or HUD Decision – Pending), click **Submit** on the new window. The step will be added to the list of steps.

Step 10. Upon completion of the decision, a HUD NSC Contractor will generate the **Preservation and Protection Decision** Letter.

Step 11. To generate the Preservation and Protection Decision Letter, click the **magnifying glass** beside optional step that was added (HUD Decision -Approved, HUD Decision -Denied, or HUD Decision –Pending). The Preservation and Protection Decision Letter is displayed with the HUD Decision. To auto-save the document to the **Documents** tab, select the **printer icon**, this action will save the Preservation and Protection Decision Letter to the **Documents** tab and auto-complete the step.

Step 12. To complete the next step, select the step **Servicer Notified of Decision**, and populate the completion date, and click **Submit** on the **Edit Step** window.

7.3.1.10.3   Servicer Activity

Step 13. Upon approval on the additional Preservation and Protection expense, a servicer must re-submit the transaction on the **Transactions - Loan** screen. The approved expense is displayed on the New Preservation & Protection Transaction window. Select the approved expense and populate the required fields and click **Submit**. The transaction is added to the list of loan transactions.

7.3.1.10.4   Servicer and HUD NSC Activities

Step 14. If the request was denied or more information is needed, a Servicer must add the optional step, **Resubmit P&P package to HUD**. Update the expenses and re-generates the P&P Request Exceed Cost letter (select the **printer icon** beside **Resubmit P&P package to HUD**, the **Modify Letter Fields** window is displayed. Edit the fields and select **OK**. The P&P request exceed cost letter is displayed with the updates. Once the letter is closed, the letter is submitted and is auto-saved in the **Documents** tab).

Step 15. HUD NSC Contractor reviews the updated package and obtains HUD's decision. If a servicer does not submit the required documents, a HUD NSC Contractor adds the optional step, Follow-up.

Step 16. If additional HUD review is needed, then the optional step **Sent to HUD for review** must be added on the timeline and completed.

Step 17. Once a decision has been made, HUD NSC will add the optional step **HUD Decision issued to Contractor**. To add an optional step, click **New**, select the optional step from the step description dropdown, populate the completion date and click **Submit**. The optional step is added to the list of steps.

7.3.1.11 Request for HUD Advance (Assignment)

A servicer initiates the HUD Advance timeline when an unscheduled advance request from the mortgagor pushes the loan balance greater than 100 percent of the maximum claim amount. This timeline can be initiated only if the pay plan type on the loan is modified term, modified tenure or line of credit. The case status must be Endorsed and the sub-status must be Loan Active. This timeline requires interaction with a HUD NSC Contractor.

Multiple active requests for HUD Advance (Assignment) timelines cannot be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Request for HUD Advance (Assignment)** timeline:

7.3.1.11.1   Initiate Timeline – Servicer Activities

The servicer must perform the following steps to initiate the timeline:

Step 1. From the Endorsed menu, select **Request**, and click **Setup.**

Step 2. On the **Endorsed Request Setup Search** Screen, enter the loan search criteria and click **Search**.

Figure 7-132: Setup Search – Endorsed Request for HUD Advance (Assignment)

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** screen, select Request for HUD Advance (Assignment) from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk).

Figure 7-133: Edit Servicing Management - Endorsed Request for HUD Advance

Step 5. Click the **Go to Servicing Steps after Submit** checkbox (at the bottom of the **Edit Servicing Management** screen).

Step 6. Click **Submit**. (If you click **Cancel**, the **Endorsed Request Setup Search** Screen will be displayed).

Step 7. The **Request Steps** screen for Request for HUD Advance (Assignment) timeline is displayed.

Figure 7-134: Timeline Steps – Endorsed Request for HUD Advance (Assignment)

Step 8. Complete the steps in the timeline when the activity corresponding to the step is complete.

Step 9. For Step **Unscheduled Request for Funds Received - pushes MCA > 100%** the Complete Date will be pre-populated with current system date. For this step, a servicer must upload the document. The step cannot be completed without attaching

the required document. Once the document is attached, a servicer will click **Submit** for the document to be attached.

Step 10. A PDF icon is added next to the step, select the **PDF icon** to view the attached document. This document is also auto-saved in the Documents tab.

Step 11. For the step **Upload Request for HUD Advance Package,** a servicer must upload the HUD Advance package document. The step cannot be completed without attaching the required document. Once the document is attached, a servicer will click **Submit** for the document to be attached.

Figure 7-135: Edit Step – Endorsed Request for HUD Advance (Assignment)

Step 12. A PDF icon is added next to the step, select the **PDF icon** to view the attached document. This document is also auto-saved in the Documents tab.

7.3.1.11.2   HUD NSC Contractor Activities

HUD NSC Contractor must perform the following steps:

Step 13. Upon completion of HUD Advance Package review, a HUD NSC Contractor will complete the step **Request for HUD Advance Received from Servicer**. Upon completion of the step, a Welcome Letter is generated. This letter is auto-imaged and auto-saved on the Documents screen.

Step 14. If the advance request is approved, the HUD NSC Contractor will create a transaction "Unscheduled from LOC" on the loan and disburse the check (refer to Disbursement section in Chapter 6 of this User Guide to create the transaction). The Servicer will then complete the step **Request for HUD Advance Processed**. To complete the step, select the step on the timeline, populate the completion date, and click **Submit.**

Step 15. If the advance request is denied, a HUD NSC Contractor adds the optional step, **Advance Denied - No Funds Issued**. To add the optional step, click **New.**

Figure 7-136: New Step – Endorsed Request for HUD Advance (Assignment)

Step 16. Select the optional step from the **Step description** dropdown, populate the completion date, and click **Submit** on the new window. The step is added to the list of steps.

Step 17. If a servicer has initiated the Claim Type 22 timeline and submitted the Assignment package, a HUD NSC Contractor will complete the step **Assignment Package Received from Servicer**. To complete the step, select the step, populate the completion date, and click **Submit** on the new window.

Step 18. If the assignment is denied and the **Funds Due HUD** step is triggered on CT 22 timeline, a HUD NSC Contractor will add the optional step **Assignment Denied / Payoff Issued**. (Refer to above steps to add and complete optional step).

7.3.1.11.3   Servicer Activities

Step 19. The Servicer must go to the Authorization tab and enter the Loan Skey or FHA Case # and click on Search.

Step 20. Upon clicking on a HUD Advance from the Search Result, the Servicer is displayed an Authorization screen to **Approve** or **Cancel** the request.

Figure 7-137: Approve / Cancel HUD Advance (Assignment)

Step 21. The step **Servicer Authorizes Repayment of Claim** is automatically added by the system and auto-completed when the following criteria are satisfied: The Servicer

authorizes / approves the transaction in the step above via the Accounting – Authorizations screen (authorized by lender/investor/servicer).

Step 22. If a servicer does not authorize the receivable transaction within the scheduled date, a HUD NSC Contractor adds the optional step, Servicer Notified of Intent to Offset. (Refer to above steps to add and complete optional step).

Step 23. The step **HUD Verifies Repayment of HUD Advance** is automatically added by the system and auto-completed when the following criteria are satisfied: Confirmation received from the Accounting Module that the collection has been successfully made for the receivable request and the FHA Case for the Batch moves to Settled status from Pre Settled Status. The case shall remain in Pre Settled status for ten calendar days. Please note that HUD may change the ten calendar days setting in Pre Settled status at any time. The case sub status changes to prior servicing's sub status.

Step 24. An Auto note shall be added in the Notes Section **HUD verifies Repayment of HUD Advance** once the Batch Status for the FHA Case changes to Settled after ten calendar days.

7.3.1.12 Subordination

HUD's second mortgage is subordinate to a lender's mortgage. If it is determined that the first and second mortgages are recorded out of order, a servicer initiates a subordination timeline in order to make the correction. The loan must be in an Endorsed status to begin the subordination process. A servicer initiates the timeline and HUD will approve the subordination agreement.

Multiple active Subordination timelines cannot be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Subordination** timeline:

7.3.1.12.1 Initiate Timeline – Servicer Activities

The servicer must perform the following steps to initiate the timeline:

Step 1. The Servicer will initiate the timeline. From the **Endorsed** menu, select **Request** and click **Setup.**

Step 2. On the **Endorsed Request Setup Search Screen**, enter the loan search criteria and click **Search.**

Figure 7-138: Setup Search – Endorsed Subordination

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** screen, select Subordination from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk).

Figure 7-139: Edit Servicing Management – Endorsed Subordination

Step 5. Click the **Go to Servicing Steps after Submit** checkbox (at the bottom of the **Edit Servicing Management** screen).

Step 6. Click **Submit**. (If you click **Cancel**, the **Endorsed Request Setup Search** Screen will be displayed).

Step 7. The Request Steps screen for Subordination timeline is displayed.

Figure 7-140: Edit Step – Endorsed Request for HUD Advance (Assignment)

Step 8. The step **Request for Subordination Received** completion date is pre-populated with the timeline created date.

Step 9. For the step **Upload Subordination Package,** the completion date will be pre-populated with the current system date. For this step, a servicer must upload the Subordination Package document. The step cannot be completed without attaching the required document. Once the document is attached, a servicer will click Submit for the document to be attached.

Step 10.A PDF icon is added next to the step. Select the **PDF icon** to view the attached document. This document is also auto-saved in the Documents tab.

Figure 7-141: Edit Step – Endorsed Subordination

7.3.1.12.2   HUD NSC Contractor Activities

HUD NSC Contractor must perform the following steps:

Step 1. Upon completion of Subordination package review, a HUD NSC Contractor will complete the step **Subordination Package Reviewed by HUD**. To complete the step, select it and populate the completion date, add a note in the Notes field if applicable, click **Submit** on the **Edit Step** window.

Step 2. Once a decision has been made about whether to approve, deny or request additional information, the HUD NSC Contractor will add the respective optional step.

Step 3. To add an optional step (HUD Decision-Approved, HUD Decision-Denied, or HUD Decision-Pending Additional Information), click New.

Figure 7-142: New Step – Endorsed Subordination

Step 4. Select an optional step from the Step Description dropdown that needs to be added on the timeline, populate the completion date, and click Submit on the New Step window. The step will be added to the list of steps.

Step 5. To generate the Subordination Agreement Letter, click the magnifying glass beside Servicer Notified of Decision / Subordination Sent to Servicer. The Modify Letter Fields window is displayed. Edit the subject and salutation and click OK. The Subordination Agreement Letter is displayed. The decision chosen via the optional step will be pre-populated in this letter.

Step 6. The printer icon beside the step allows the HUD Contractor to auto-save the document to the Documents tab. Select the printer icon, the Modify Letter Fields window is displayed. Edit the Subject and select OK. The Subordination Agreement Letter is displayed. This action auto-saves the document in the Documents tab and auto-completes the step.

7.3.1.13 Zero Balance

When a payoff statement is requested on HUD's second mortgage, the HUD NSC contractor initiates this timeline to show that there are no funds advanced under the second note. This timeline is initiated and completed by a HUD NSC contractor. There is no interaction with the servicer.

Multiple active Zero Balance timelines can be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Zero Balance** timeline:

Step 1. From the Endorsed menu, select **Request,** and click **Setup**.

Step 2. On the Endorsed Request Setup Search Screen, enter the loan search criteria and click Search.

Figure 7-143: Setup Search – Endorsed Zero Balance

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. On the Edit Servicing Management screen, select Zero Balance from the Servicing Type dropdown and populate the required fields (marked with an asterisk).

Figure 7-144: Edit Servicing Management - Endorsed Zero Balance

Step 5. Click the Go to Servicing Steps after Submit checkbox (at the bottom of the Edit Servicing Management screen).

Step 6. Click Submit. (If you click Cancel, the Endorsed Request Setup Search Screen will be displayed).

Step 7. The Request Steps screen for Zero Balance timeline is displayed.

Figure 7-145: Timeline Steps – Endorsed Zero Balance

Step 8. The step Initiate Zero Balance Letter completion date is pre-populated with the timeline created date.

Step 9. Complete the steps in the timeline when activity corresponding to the step is complete. To complete any step in the timeline, click the step (For example: Zero Balance Letter Request Received).

Step 10. Populate the completion date, add a note in the Notes field if applicable, and click Submit on the Edit Step window.

Figure 7-146: Edit Step – Endorsed Zero Balance

Step 11. The completion date is populated beside the step Zero Balance Letter Request Received on the Request Steps screen.

Step 12. Click the magnifying glass beside the step Zero Balance Letter Sent to Requestor to update and print the Zero Balance Letter.

Step 13. A new window is displayed with the Zero Balance Letter with options to preview or print the document. Update the letter, and once the changes have been made, select the Preview Document link to view the updated document. To auto-save the changes made to the document, select the Print Document link. Select Open on the File

Download window. This action will save the updated Zero Balance Letter to the Documents tab. Refresh the screen to auto-complete the step.

Step 14. Select the Document tab to view the updated version of the Zero Balance Letter. Version history is maintained on the Documents tab each time the Print Document link is selected.

7.3.1.14 Extension – Late Notification of Death

Mortgagees may request an extension to take the first legal action to initiate foreclosure due to a late notification of death of a borrower. The reasons for late notification of death can be due to :

1. State Privacy Laws Restricted Information Access (Note: Extension request to the deadline to initiate foreclosure extended 30 days from end of state's privacy law restriction on the mortgagee's access to the information)

2. Other Reason (Note: Extension request from Date of Death to Mortgagee's discovery of death)

Multiple active Extension–Late Notification of Death timelines cannot be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline and update extension data fields. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Extension – Late Notification of Death** timeline:

7.3.1.14.1   Initiate Timeline – Servicer Activities

The servicer must perform the following steps to initiate the timeline:

Step 1. From the Endorsed menu, select Request, and click Setup.

Step 2. On the Endorsed Request Setup Search Screen, enter the loan search criteria and click Search.

Figure 7-147: Setup Search – Endorsed Late Notification of Death

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. On the Edit Servicing Management Screen, select **Extension-Late Notification of Death** from the Servicing Type dropdown and populate the required fields (marked with an

asterisk). Note: The mandatory field Reason for Extension has 2 drop down option1. State Privacy Laws Restricted Information Access 2.Other Reason. Select the reason applicable.

Figure 7-148: Edit Servicing Management Screen – Endorsed Late Notification of Death

Step 5. Click the Go to Servicing Steps after Submit checkbox (at the bottom of the Edit Servicing Management Window).

Step 6. Click Submit (If you click Cancel, the Endorsed Request Setup Search screen will be displayed).

Step 7. The Request Steps screen for **Extension – Late Notification of Death** timeline is displayed.

Figure 7-149: Timeline Steps – Endorsed Late Notification of Death

Step 8. The step Initiate Extension completion date is pre-populated with the timeline created date.

Step 9. For the step Upload Extension Package, the completion date is pre-populated with the current system date. For this step, a servicer must upload the Extension Package document. The step cannot be completed without attaching the required document. Once the document is attached, a servicer will click Submit for the document to be attached. A PDF icon is added next to the step; select this icon to view the attached document. This document is also auto-saved in the Documents tab.

Figure 7-150: Edit Step Window – Endorsed Late Notification of Death

Step 10. The servicer must complete the step Submit Extension Request for Time. To complete the step, select the step, populate the completion date and click Submit on the **Edit Step** window.

Figure 7-151: Edit Step – Endorsed Late Notification of Death

7.3.1.14.2   HUD NSC Contractor Activities

HUD NSC Contractor must perform the following steps:

Step 11. The HUD NSC Contractor must complete the step **Request for Extension of Time Recd.** To complete the step, select the step, populate the completion date and click **Submit** on the **Edit Step** window.

Step 12. Upon completion of Extension Package review, a HUD NSC Contractor will complete the step **Extension Request Reviewed.** To complete the step, select the step and populate the completion date, add a note in the Notes field if applicable, click **Submit** on the **Edit Step** window.

Step 13. Once a decision has been made whether to approve, or deny the request. The HUD NSC Contractor adds the respective optional step.

Step 14. To add an optional step (HUD Decision -Approved, or HUD Decision -Denied), click **New.**

Figure 7-152: New Step – Endorsed Late Notification of Death

Step 15. Select an optional step from the Step Description dropdown that needs to be added on the timeline, populate the completion date, and click Submit on the new window. The step will be added to the list of steps. Upon approval, populate the Extension Expiration Date on the Servicing Management tab.

Step 16. A HUD NSC Contractor can add an optional Follow-up step to set a reminder to track and complete the timeline.

7.3.1.15 Extension – Hardest Hit Fund

Mortgagees may request a 45-day extension to meet the deadline to initiate foreclosure or reasonable diligence in completing foreclosure as follows:

•Upon receiving a copy of the State Housing Finance Agency's or other entity administering a State's HHF conditional commitment from the mortgagor, the mortgagee must review its servicing file and confirm that the mortgagor's account is still active and due and payable.

•The mortgagor has up to 45 days after the mortgagee's deadline to initiate foreclosure or, if applicable, complete foreclosure to receive the HHF funds and apply them in satisfying the HECM mortgage or otherwise curing the default. Should HHF funds not be disbursed to the mortgagor, the

mortgagee must retain documentation regarding this delay in initiating or completing foreclosure in its servicing file to avoid curtailment.

Multiple active Extension–Hardest Hit Fund timelines cannot be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline and update extension data fields. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Extension – Hardest Hit Fund** (HHF) timeline:

7.3.1.15.1 Initiate Timeline – Servicer Activities

The servicer must perform the following steps to initiate the timeline:

Step 1. From the Endorsed menu, select **Request,** and click **Setup.**

Step 2. On the Endorsed Request Setup Search Screen, enter the loan search criteria and click Search.

Figure 7-153: Setup Search – Endorsed Hardest Hit Fund (HHF)

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. On the Edit Servicing Management Screen, select **Extension-Hardest Hit Fund (HFF)** from the Servicing Type dropdown and populate the required fields (marked with an asterisk). Note: The mandatory field Reason for Extension has 2 drop down options 1. Borrower Participating in the HHF Program 2.Other Reason. Select the reason applicable.

Figure 7-154: Edit Servicing Management Screen – Endorsed Hardest Hit Fund (HHF)

Step 5. Click the Go to Servicing Steps after Submit checkbox (at the bottom of the Edit Servicing Management Window).

Step 6. Click Submit (If you click Cancel, the Endorsed Request Setup Search screen will be displayed).

Step 7. The Request Steps screen for **Extension – Hardest Hit Fund (HFF)** timeline is displayed.

Figure 7-155: Timeline Steps – Endorsed Hardest Hit Fund (HHF)

Step 8. The step **Initiate Extension** completion date is pre-populated with the timeline created date.

Step 9. For the step Upload Extension Package, the completion date is pre-populated with the current system date. For this step, a servicer must upload the Extension Package

document. The step cannot be completed without attaching the required document. Once the document is attached, a servicer will click Submit for the document to be attached. A PDF icon is added next to the step; select this icon to view the attached document. This document is also auto-saved in the Documents tab.

Figure 7-156: Edit Step Window – Endorsed Hardest Hit Fund

Step 10. The servicer must complete the step Submit Extension Request for Time. To complete the step, select the step, populate the completion date and click Submit on the **Edit Step** window.

Figure 7-157: Edit Step – Endorsed Hardest Hit Fund

7.3.1.15.2   HUD NSC Contractor Activities

HUD NSC Contractor must perform the following steps:

Step 11. The HUD NSC Contractor must complete the step Request for Extension of Time Recd. To complete the step, select the step, populate the completion date and click Submit on the **Edit Step** window.

Step 12. Upon completion of Extension Package review, a HUD NSC Contractor will complete the step Extension Request Reviewed. To complete the step, select the step and

populate the completion date, add a note in the Notes field if applicable, click Submit on the Edit Step window.

Step 13. Once a decision has been made whether to approve, or deny the request. The HUD NSC Contractor adds the respective optional step.

Step 14. To add an optional step (HUD Decision -Approved, or HUD Decision -Denied), click **New.**

Figure 7-158: New Step – Endorsed Hardest Hit Fund

Step 15. Select an optional step from the Step Description dropdown that needs to be added on the timeline, populate the completion date, and click Submit on the new window. The step will be added to the list of steps. Upon approval, populate the Extension Expiration Date on the Servicing Management tab.

Step 16. A HUD NSC Contractor can add an optional Follow-up step to set a reminder to track and complete the timeline.

7.3.1.16 Extension – Property Charge Loss Mitigation

The Mortgagee may offer the following loss mitigation options for a mortgagor in default due to unpaid property charges:

- Refinancing the defaulted HECM into a new HECM if possible under all applicable HECM origination requirements

- Providing information on the availability of free assistance from HUD-approved HECM Housing Counselors and local assistance programs (e.g., ELMORE) available for mortgagors.

If the aforementioned loss mitigation options are unavailable or have been exhausted, mortgagees may offer the following:

- Option (1): The option for an extension of the foreclosure timeframes due to a Corporate Advance/Repayment Plan (Note: Maximum 60 months from date of repayment).

- Option (2): The option for an extension of the foreclosure timeframes due to an "At Risk" HECM Mortgagor (Note: Required Annually).

Multiple active Extension–Property Charge Loss Mitigation timelines cannot be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline and update extension data fields. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Extension – Property Charge Loss Mitigation** timeline:

7.3.1.16.1   Initiate Timeline – Servicer Activities

The servicer must perform the following steps to initiate the timeline:

Step 1. From the Endorsed menu, select **Request**, and click **Setup**.

Step 2. On the Endorsed Request Setup Search Screen, enter the loan search criteria and click Search.

Figure 7-159: Setup Search – Endorsed Property Charge Loss Mitigation

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. On the Edit Servicing Management Screen, select Extension- Property Charge Loss Mitigation from the Servicing Type dropdown and populate the required fields (marked with an asterisk). Note: The mandatory field Reason for Extension has 2 drop down options :

1. Corporate Advance/Repayment Plan (Note: Maximum 60 months from date of repayment).
2. "At Risk" HECM Mortgagor (Note: Required Annually).

Figure 7-160: Edit Servicing Management Screen – Endorsed Property Charge Loss Mitigation

Step 5. Click the Go to Servicing Steps after Submit checkbox (at the bottom of the Edit Servicing Management Window).

Step 6. Click **Submit** (If you click **Cancel**, the **Endorsed Request Setup Search** screen will be displayed).

Step 7. The Request Steps screen for **Extension – Property Charge Loss Mitigation** timeline is displayed.

Figure 7-161: Timeline Steps – Endorsed Property Charge Loss Mitigation

Step 8. The step **Initiate Extension** completion date is pre-populated with the timeline created date.

Step 9. For the step **Upload Extension Package, the** completion date is pre-populated with the current system date. For this step, a servicer must upload the

Extension Package document. The step cannot be completed without attaching the required document. Once the document is attached, a servicer will click **Submit** for the document to be attached. A PDF icon is added next to the step; select this icon to view the attached document. This document is also auto-saved in the Documents tab

Step 10. The servicer must complete the step Submit Extension Request for Time. To complete the step, select the step, populate the completion date and **Click Submit** on the **Edit Step** window.

Figure 7-162: Edit Step Window – Endorsed Property Charge Loss Mitigation

Figure 7-163: Edit Step – Endorsed Property Charge Loss Mitigation

7.3.1.16.2   HUD NSC Contractor Activities

HUD NSC Contractor must perform the following steps:

Step 11. The HUD NSC Contractor must complete the step **Request for Extension of Time Recd**. To complete the step, select the step, populate the completion date and click **Submit** on the **Edit Step** window.

Step 12. Upon completion of Extension Package review, a HUD NSC Contractor will complete the step **Extension Request Reviewed**. To complete the step, select the step and populate the completion date, add a note in the Notes field if applicable, click **Submit** on the **Edit Step** window.

Step 13. Once a decision has been made whether to approve, or deny the request. The HUD NSC Contractor adds the respective optional step.

Step 14. To add an optional step (HUD Decision -Approved, or HUD Decision -Denied), click **New**.

Figure 7-164: New Step – Endorsed Property Charge Loss Mitigation

Step 15. Select an optional step from the **Step Description** dropdown that needs to be added on the timeline, populate the completion date, and click **Submit** on the new window. The step will be added to the list of steps. Upon approval, populate the Extension Expiration Date on the **Servicing Management** tab.

Step 16. A HUD NSC Contractor can add an optional Follow-up step to set a reminder to track and complete the timeline.

7.3.1.17 Extension – Appraisal

Mortgagees may request an extension of time to the appraisal expiration date if they have pending sale scheduled to close within 30 days from the expiration of the appraisal.

Multiple active Extension–Appraisal timelines cannot be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline and update extension data fields. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Extension – Appraisal** timeline:

7.3.1.17.1   Initiate Timeline – Servicer Activities

The servicer must perform the following steps to initiate the timeline:

Step 1. From the Endorsed menu, select **Request**, and click **Setup**.

Step 2. On the Endorsed Request Setup Search Screen, enter the loan search criteria and click Search.

Figure 7-165: Setup Search – Endorsed Appraisal

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. On the Edit Servicing Management Screen, select Extension- Appraisal from the Servicing Type dropdown and populate the required fields (marked with an asterisk).

Figure 7-166: Edit Servicing Management Screen – Endorsed Appraisal

Step 5. Click the Go to Servicing Steps after Submit checkbox (at the bottom of the Edit Servicing Management Window).

Step 6. Click **Submit** (If you click Cancel, the **Endorsed Request Setup Search** screen will be displayed).

Step 7. The **Request Steps** screen for **Extension – Property Appraisal** timeline is displayed.

Figure 7-167: Timeline Steps – Endorsed Appraisal

Step 8. The step Initiate Extension completion date is pre-populated with the timeline created date.

Step 9. For the step **Upload Extension Package**, the completion date is pre-populated with the current system date. For this step, a servicer must upload the Extension Package document. The step cannot be completed without attaching the required document. Once the document is attached, a servicer will click **Submit** for the document to be attached. A PDF icon is added next to the step; select this icon to view the attached document. This document is also auto-saved in the Documents tab.

Figure 7-168: Edit Step Window – Endorsed Appraisal

Step 10. The servicer must complete the step Submit Extension Request for Time. To complete the step, select the step, populate the completion date and click **Submit** on the **Edit Step** window.

Figure 7-169: Edit Step – Endorsed Appraisal

7.3.1.17.2   HUD NSC Contractor Activities

HUD NSC Contractor must perform the following steps:

Step 11. The HUD NSC Contractor must complete the step **Request for Extension of Time Recd**. To complete the step, select the step, populate the completion date and click **Submit** on the **Edit Step** window.

Step 12. Upon completion of Extension Package review, a HUD NSC Contractor will complete the step **Extension Request Reviewed**. To complete the step, select the step and populate the completion date, add a note in the Notes field if applicable, click **Submit** on the **Edit Step** window.

Step 13. Once a decision has been made whether to approve, or deny the request. The HUD NSC Contractor adds the respective optional step.

Step 14. To add an optional step (HUD Decision -Approved, or HUD Decision -Denied), click **New.**

Figure 7-170: New Step – Endorsed Appraisal

Step 15. Select an optional step from the **Step Description** dropdown that needs to be added on the timeline, populate the completion date, and click **Submit** on the new window. The step will be added to the list of steps. Upon approval, populate the Extension Expiration Date on the **Servicing Management** tab.

Step 16. A HUD NSC Contractor can add an optional Follow-up step to set a reminder to track and complete the timeline.

7.3.1.18 Extension – Other

Multiple active Extension–Other timelines cannot be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline and update extension data fields. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Extension – Other** timeline:

7.3.1.18.1   Initiate Timeline – Servicer Activities

The servicer must perform the following steps to initiate the timeline:

Step 1. From the Endorsed menu, select **Request**, and click **Setup**.

Step 2. On the **Endorsed Request Setup Search** Screen, enter the loan search criteria and click **Search.**

Figure 7-171: Setup Search – Endorsed Other

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** Screen, select Extension - Other from the Servicing Type dropdown and populate the required fields (marked with an asterisk).

Figure 7-172: Edit Servicing Management Screen – Endorsed Other

Step 5. Click the Go to Servicing Steps after Submit checkbox (at the bottom of the Edit Servicing Management Window).

Step 6. Click **Submit** (If you click **Cancel**, the **Endorsed Request Setup Search** screen will be displayed).

Step 7. The **Request Steps** screen for **Extension – Other** timeline is displayed.

Figure 7-173: Timeline Steps – Endorsed Other

Step 8. The step **Initiate Extension** completion date is pre-populated with the timeline created date.

Step 9. For the step **Upload Extension Package, the** completion date is pre-populated with the current system date. For this step, a servicer must upload the Extension Package document. The step cannot be completed without attaching the required document. Once the document is attached, a servicer will click **Submit** for the document to be attached. A PDF icon is added next to the step; select this icon to view the attached document. This document is also auto-saved in the Documents tab.

Figure 7-174: Edit Step Window – Endorsed Other

Step 10. The servicer must complete the step Submit Extension Request for Time. To complete the step, select the step, populate the completion date and click Submit on the Edit Step window.

Figure 7-175: Edit Step – Endorsed Other

7.3.1.18.2   HUD NSC Contractor Activities

HUD NSC Contractor must perform the following steps:

Step 11. The HUD NSC Contractor must complete the step **Request for Extension of Time Recd**. To complete the step, select the step, populate the completion date and click **Submit** on the **Edit Step** window.

Step 12. Upon completion of Extension Package review, a HUD NSC Contractor will complete the step **Extension Request Reviewed**. To complete the step, select the step and populate the completion date, add a note in the Notes field if applicable, click **Submit** on the **Edit Step** window.

Step 13. Once a decision has been made whether to approve, or deny the request. The HUD NSC Contractor adds the respective optional step.

Step 14. To add an optional step (HUD Decision -Approved, or HUD Decision -Denied), click **New.**

Figure 7-176: New Step – Endorsed Other

Step 15. Select an optional step from the **Step Description** dropdown that needs to be added on the timeline, populate the completion date, and click **Submit** on the new window. The step will be added to the list of steps. Upon approval, populate the Extension Expiration Date on the **Servicing Management** tab.

Step 16. A HUD NSC Contractor can add an optional Follow-up step to set a reminder to track and complete the timeline.

7.3.2   Release Timelines

7.3.2.1 Release 2nd (Release of HUD's Second Mortgage)

This timeline is automatically initiated by the system when a loan status is terminated. The timeline can also be initiated manually, if the loan has an active Loss Mitigation – Deed in Lieu or Loss Mitigation – Short Sale timeline. The scheduled date of the first step is set to 10 business days after the effective date of the payoff transaction, if the case is Terminated. The scheduled date of the first step is set to the complete date of the timeline step "Initiate DIL or Initiate Short Sale Process", when the loan status is Endorsed and an active DIL/Short Sale timeline exists. The initiation conditions for claim and non-claim terminations are shown below:

- **For termination by non-claim:** The case status is updated to Terminated after the creation of termination transaction on loan by a servicer.
- **For termination by claim:** The case status is updated to Terminated after the claim payment confirmation is received from the Accounting Module (claim is submitted by a servicer and approved by HUD claims staff).

HUD NSC Contractor will complete the steps within the timeline after system initiation. There is no interaction with the servicer. Multiple active Release 2nd timelines cannot be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Release 2nd** timeline:

Step 1. From the **Endorsed** menu, select **Release**, and click **Search.**

Step 2. On the **Endorsed Release Search** Screen, enter the search criteria and click **Search** to retrieve the timelines that have been auto-initiated by the system.

Figure 7-177: Setup Search – Endorsed 2nd Release

Step 3. From the search results, select a loan to view or edit the timeline.

Step 4. The **Release Steps** screen for Release 2nd timeline is displayed.

Figure 7-178: Timeline Steps – Endorsed Release 2nd

Step 5. The Step **Payoff Transaction Processed/Initiate Release of 2nd Mortgage** completion date is pre-populated with timeline created date.

Step 6. Complete the steps in the timeline when activity corresponding to the step is complete. To complete any step in the timeline, click the step, for example, **Release Request – Approved by Management**.

Figure 7-179: Edit Step – Endorsed Release 2nd

Step 7. Populate the completion date, add a note in the **Notes** field if applicable, and click **Submit** on the **Edit Step** window.

Step 8. The completion date is populated beside the step Release Request – Approved by Management on the **Release Steps** screen.

Step 9. Repeat the steps above to complete the remaining steps.

Step 10.To add an optional step, click **New.**

Figure 7-180: New Step – Endorsed Release 2nd

Step 11.Select an optional step from the **Step Description** dropdown that needs to be added on the timeline and click **Submit** on the new window. The step will be added to the list of steps.

Step 12. To complete the step, select the step and populate the completion date, add a note in the **Notes** field if applicable, click **Submit** on the **Edit Step** window.

Step 13. Repeat the above instructions to add and complete other optional steps.

7.4 Assigned Timelines

7.4.1 Compliance Timelines

7.4.1.1 Occupancy Compliance Certification

To ensure that the mortgagor is compliant with HECM occupancy rules and to complete the occupancy inspection process, a HUD NSC Contractor initiates this timeline. This timeline is automatically initiated when a loan is established. However, this timeline can also be initiated manually to track the annual occupancy compliance.

It does not require HUD NSC Staff interactions and can be initiated and completed by a HUD NSC Contractor. Only one active Occupancy Compliance timeline can be associated with a loan. The Servicing Management tab can be used to activate or inactivate the timeline and edit inspection information. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Occupancy Compliance Certification** timeline:

Step 1. From the **Assigned** menu select **Compliance** and click **Search**.

Step 2. On the **Assigned Compliance Search** Screen, enter the search criteria, select Servicing Type as Occupancy Compliance Certification and click **Submit** to retrieve the timelines that have been auto-initiated by the system.

Figure 7-181: Compliance Search – Assigned Occupancy Compliance Certification

Step 3. From the search results, select the loan to view or edit the timeline.

Step 4. The **Compliance Steps** screen for Occupancy Compliance Certification timeline is displayed.

Figure 7-182: Timeline Steps – Assigned Occupancy Compliance Certification

Step 5. The step **Signed Anniversary Date** is auto completed by the system with the timeline created date.

Step 6. To generate the Annual Certification of Occupancy Letter, click on the **magnifying glass** beside the **Annual Occupancy Certification Letter Sent** step to preview the letter; the **Modify Letter Fields** window is displayed. Edit the subject and salutation and click **OK**. The Annual Certification of Occupancy Letter is displayed.

Figure 7-183: Modify Letter Fields Window

Step 7. To generate the Annual Certification of Occupancy Letter when a Non-Borrowing Spouse is available on the loan, click on the **magnifying glass** beside the **Annual Occupancy Certification Letter Sent** step to preview the letter; the **Modify Letter Fields** window is displayed with Non-Borrowing Spouse information. Select the Borrower and NBS and select **OK**. The Annual Certification of Occupancy Letter is displayed with Non-Borrowing Spouse information.

(NOTE: When multiple Borrower/Co-borrowers and NBS are on the loan, the relationship of the Borrower/Co-Borrower to the NBS can be confirmed on the loan documents)

Figure 7-184: Modify Letter Fields Window

- If the NBS is available/active on the loan and selected by HUD NSC Contractor in the **Modify Letter Fields** window, and the last surviving borrower is not deceased, the letter is generated with last surviving borrower along with selected NBS information. Additional letters can be generated, if needed.

- If all the NBS are deactivated on the loan and no NBS is selected by HUD NSC Contractor in the **Modify Letter Fields window**, and the last surviving borrower is not deceased, the letter is generated without NBS information.

- If at least one NBS is available/active on the loan and selected by HUD NSC Contractor in the **Modify Letter Fields** window, and the last surviving borrower is deceased, the letter is generated with selected NBS information only.

Step 8. The printer icon beside the step enables the HUD contractor to auto-save the document to the **Documents** tab. Select the **printer icon**; the **Modify Letter Fields** window is displayed. Edit the subject and salutation and select **OK**. The Annual Certification of Occupancy Letter is displayed. This action auto-saves the document in the **Documents** tab and auto-completes the step.

Step 9. If the Annual Occupancy Certification letter is received, then the step **Annual Occupancy Cert Letter Received** must be completed. To complete the step, select the step and populate the completion date, add a note in the **Notes** field if applicable, click **Submit** on the **Edit Step** window.

Step 10. If the Annual Occupancy Certification letter is not received, then the step **Mail Annual Occupancy 2nd Request Letter** is automatically added by the system after an overnight process. The following criteria must be satisfied: the step **Signed Anniversary Date** and **Annual Occupancy Certification Letter Sent** are completed but the step **Annual Occupancy Cert Letter Received** is not completed yet.

Step 11. To generate the Annual Certification of Occupancy 2nd Request letter, click on the **magnifying glass** beside the **Mail Annual Occupancy 2nd Request Letter** step to preview the letter; the Modify Letter Fields window is displayed. Edit the subject and salutation and select **OK**. The Annual Certification of Occupancy 2nd Request Letter is displayed.

Step 12. To generate the Annual Certification of Occupancy 2nd Request letter when a Non-Borrowing spouse is available on the loan, click on the magnifying glass beside the Mail Annual Occupancy 2nd Request Letter step to preview the letter; the Modify Letter Fields window is displayed with Non-Borrowing Spouse information. Select the Borrower and NBS and select OK. The Annual Certification of Occupancy 2nd Request Letter is displayed.
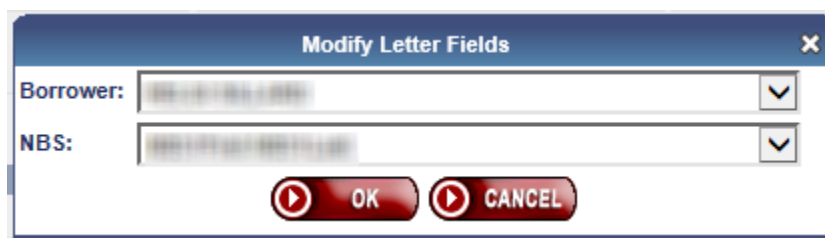
Figure 7-185: Modify Letter Fields Window

Note: The Annual Certification of Occupancy 2nd Request Letter is generated per the rules
below:-

- If the NBS is available/active on the loan selected by HUD NSC Contractor in the
Modify Letter Fields window, and the last surviving borrower is not deceased, the
letter is generated with last surviving borrower along with selected NBS information.
Additional letters can be generated

- If all the NBS are deactivated and no NBS is selected by HUD NSC Contractor in the
Modify Letter Fields window, and the last surviving borrower is not deceased, the
letter is generated without NBS information

- If at least one NBS is available/active on the loan selected by HUD NSC Contractor in
the Modify Letter Fields window, and the last surviving borrower is deceased, the
letter is generated with selected NBS information only

Step 13. The printer icon beside the step enables the HUD contractor to auto-save the
document to the **Documents** tab. Select the **printer icon**; the Modify Letter Fields
window is displayed. Edit the subject and salutation and select **OK**. The **Annual
Certification of Occupancy 2nd Request Letter** is displayed. This action auto-saves
the document in the Documents tab and auto-completes the step.

Step 14. The step **Telephone/Verbal Confirmation of Occupancy Made** is an optional step.
To add an optional step, click **New**. Select the optional step from the **Step
Description** dropdown and click **Submit** on the new window. The step will be added
to the list of steps.

Figure 7-186: New Step – Assigned Occupancy Compliance Certification

Step 15. To complete the step, select it and populate the completion date, add a note in the
Notes field if applicable, and click **Submit** on the **Edit Step window**.

Step 16. The step **Order Property Inspection** and SSI Search is automatically added by the
system. The following criteria must be satisfied: 44 days have passed since step
Signed Anniversary Date completion and step **Annual Occupancy Cert Letter
Received** is not completed yet.

Step 17. To complete the step, select it and populate the completion date, add a note in the
Notes field if applicable, and click **Submit** on the **Edit Step window**.

Step 18. The step **Received Property Inspection** is automatically added by the system after
an overnight process. The following criteria must be satisfied: nine days have passed
since step **Order Property Inspection and SSI Search** is completed. To complete

the step, select it and populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step window**.

Step 19.To complete the step **Annual Occupancy Cert Letter Received**, the following steps must be completed first:
- o Mail Annual Occupancy 2nd Request Letter.
- o Telephone/Verbal confirmation of Occupancy Made and order Property Inspection and SSI search.

Step 20.Complete the step **Annual Occupancy Cert Letter Received**. To complete the step, select the step and populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step window**.

Step 21. The system will trigger a new Occupancy Compliance Certification timeline upon completion of the step **Annual Occupancy Cert letter Received** on the anniversary date (Closing date) of the loan. The old timeline is automatically updated to an inactive status once a new timeline is created by the system.

Step 22.The step **Re-start Annual Occupancy Certification** is auto completed by the system when the scheduled date matches the current system date.

Step 23.To add an optional step, click **New.**

Step 24.Select an optional step from the **Step Description** dropdown that needs to be added on the timeline and click **Submit** on the new window. The step will be added to the list of steps.

Step 25.To complete the step, select it and populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step window**.

Step 26.Repeat the above instructions to add and complete other optional steps.

Step 27.To generate the **Mortgagor's Certification of Ineligible NBS** when an Ineligible Non Borrowing Spouse is available on the loan. Follow Step 23 through Step 25.The Mortgagor's Certification of Ineligible NBS is generated. Click on the magnifying glass beside the Mortgagor's Certification of Ineligible NBS step to preview the letter; the Modify Letter Fields window is displayed. Edit the subject and salutation and click **OK**. The Mortgagor's Certification of Ineligible NBS is displayed.

- ● **Note:** The Mortgagor's Certification of Ineligible NBS is generated per the rules below :-
  If an Ineligible NBS is available on the loan, selected by HUD NSC Contractor in the Modify Letter Fields window, the letter is generated with the last surviving borrower along with the selected Ineligible NBS information.

To manually initiate the timeline:

Step 1. From the **Assigned** menu, select **Compliance** and click **Setup.**

Step 2. On the **Assigned Compliance Setup Search** screen, enter the loan search criteria and click **Search**.

Figure 7-187: Compliance Setup – Assigned Occupancy Compliance Certification

Step 3. From the search results, **select** a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** Screen, select Occupancy Compliance Certification from the Servicing Type dropdown and populate the required fields (marked with an asterisk).

Figure 7-188: Edit Servicing Mangement – Assigned Occupancy Compliance Certification

Step 5. Click on the **Go to Servicing Steps after Submit** checkbox (at the bottom of the **Edit Servicing Management** Window).

Step 6. Click **Submit.** (If you click **Cancel**, the Assigned Compliance Setup Search Screen will be displayed).

Step 7. The **Compliance Steps** screen for Occupancy Compliance Certification timeline is displayed.

Figure 7-189: Timeline Steps – Assigned Occupancy Compliance Certification

7.4.1.2 Insurance - Hazard Policy

A mortgagor is required to maintain hazard insurance in an amount acceptable to HUD. The HUD NSC Contractor initiates this timeline to verify compliance with insurance requirements. This timeline is automatically created when a loan is established. However, it can also be initiated manually to track the renewal after the initial timeline. The system sends alerts to a HUD NSC Contractor 30 days before the expiration of the certificate of insurance.

It does not require HUD NSC Staff interactions and can be initiated and completed by a HUD NSC Contractor. Only one active Insurance Hazard Policy timeline can be associated with a loan. The Servicing Management tab can be used to activate or inactivate the timeline and edit inspection information. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Insurance – Hazard Policy** timeline:

Step 1. From the **Assigned** menu, select **Compliance**, and click **Setup**.

Step 2. On the **Assigned Compliance Setup Search** Screen, enter the loan search criteria and click **Search.**

Figure 7-190: Setup Search - Assigned Hazard Policy

Step 3. From the search results, **select** a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** Screen, **select Insurance Hazard Policy** from the Servicing Type dropdown and populate the required fields (marked with an asterisk). The insurance information can be edited on the Servicing Management tab after the initiation of timeline.

Figure 7-191: Edit Servicing Management – Assigned Hazard Policy

Step 5. Click the **Go to Servicing Steps after Submit** checkbox (at the bottom of the **Edit Servicing Management** Window).

Step 6. Click **Submit**. (If you click **Cancel,** the Assigned Compliance Setup Search Screen will be displayed).

Step 7. The **Compliance Steps** screen for Insurance Hazard Policy timeline is displayed.

Figure 7-192: Timeline Steps – Assigned Hazard Policy

Step 8. The step **Policy Effective** completion date is pre-populated with the timeline created date.

Step 9. To generate the **Hazard Mortgage Clause** letter, click on the **magnifying glass** beside **Insurance Declaration Received** to preview the letter; the Modify Letter Fields screen is displayed. Edit the subject and salutation and select **OK**. The Hazard Mortgage Clause Letter is displayed.

Step 10. The printer icon beside the step enables the HUD contractor to auto-save the document to the **Documents** tab. Select the **printer icon**; the Modify Letter Fields screen is displayed. Edit the subject and salutation and click **OK**. The **Hazard Mortgage Clause Letter** is displayed. This action auto-saves the document in the **Documents** tab and auto-completes the step.

Step 11. To generate the **Hazard Insurance Renewal Verification Letter**, click on the **magnifying glass** beside Mail Renewal Verification Letter to preview the letter; the Modify Letter Fields screen is displayed. Edit the subject and salutation and click **OK**. The Hazard Insurance Renewal Verification Letter is displayed.

Step 12. The printer icon beside the step enables the HUD contractor to auto-save the document to the **Documents** tab. Select the **printer icon**; the Modify Letter Fields window is displayed. Edit the subject and salutation and click **OK**. The **Hazard Mortgage Clause Letter** is displayed. This action auto-saves the document in the **Documents** tab and auto-completes the step.

Step 13. Complete the steps in the timeline when the corresponding activity tied to the step is complete. To complete steps in the timeline, click on the step, for example step **Policy Expires**.

Step 14. Populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

Step 15. The completion date is populated beside the step **Policy Expires**.

Step 16. The step **Send 2nd Request for Policy Verification** is automatically added by the system after an overnight process. The following criteria must be satisfied: One day has passed since completion of the step **Policy expires** and the step **Received Notification of Policy Cancellation** does not exist on the timeline.

Step 17. To complete the step **Send 2nd Request for Policy Verification**, select the step, populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

Step 18. The step **Notify Loan Counselor** is automatically added by the system after an overnight process. The following criteria must be satisfied: 14 or more days have passed since completion of the step **Send 2nd Request for Policy Verification** OR the optional step **Received Notification of Policy Cancellation** is completed.

Step 19. To add an optional step, click **New**.

Figure 7-193: New Step - Assigned Hazard Policy

Step 20. Select an optional step from the **Step Description** dropdown that needs to be added on the timeline and click **Submit** on the new window. The step will be added to the list of steps.

Step 21. To complete the step, select the step and **populate** the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

Step 22. Repeat the above instructions to add and complete other optional steps.

Step 23. To generate the **Hazard Req – Proof of Insurance- 10 Day Letter**, click on the **magnifying glass** beside **Mail Certified Letter to Borrower** to preview the letter; the Modify Letter Fields window is displayed. Edit the subject and salutation and click **OK**. The **Hazard Req – Proof of Insurance**- 10 Day Letter is displayed.

Step 24. The printer icon beside the step enables the HUD contractor to auto-save the document to the **Documents** tab. Select the **printer icon**; the Modify Letter Fields screen is displayed. Edit the subject and salutation and select **OK**. The **Hazard Req – Proof of Insurance**- 10 Day Letter is displayed. This action auto-saves the document in the **Documents** tab and auto-completes the step.

Step 25. Complete the step **Return Receipt Received from Borrower** when the receipt is received from the borrower. To complete the step, select it, populate the completion date, add a note in the Notes field if applicable, and click **Submit** on **Edit Step** window.

7.4.1.3 Insurance – Flood Policy

If a mortgaged property is located within a flood zone, the mortgagor should meet the flood insurance requirements in an amount acceptable by HUD. A HUD NSC Contractor initiates this timeline to verify actions required to comply with flood insurance requirements.

It does not require HUD NSC Staff interactions and can be initiated and completed by a HUD NSC Contractor. Only one active Insurance Flood Policy timeline can be associated with a loan. The Servicing Management tab can be used to activate or inactivate the timeline and edit inspection information. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Insurance – Flood Policy** timeline:

Step 1. From the **Assigned** menu, select **Compliance**, and click **Setup**.

Step 2. The **Assigned Compliance Setup Search** Screen, enter the loan search criteria and click **Search**.

Figure 7-194: Setup Search – Assigned Flood Policy

Step 3. From the search results, click a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** screen, select **Insurance Flood Policy** from the Servicing Type dropdown and populate the required fields (marked with an asterisk). The insurance information can be edited on the Servicing Management tab after the initiation of timeline.

Figure 7-195: Edit Servicing Management – Assigned Flood Policy

Step 5. Click the **Go to Servicing Steps after Submit** checkbox (at the bottom of the **Edit Servicing Management** Window).

Step 6. Click **Submit**. (If you click **Cancel**, the Assigned Compliance Setup Search Screen will be displayed).

Step 7. The **Compliance Steps** screen for **Insurance Flood Policy** timeline is displayed.

Figure 7-196: Timeline Steps – Assigned Flood Policy

Step 8. The **Step Policy Effective** completion date is pre-populated with the timeline created date.

Step 9. To generate the **Flood Mortgage Clause Letter**, click the **magnifying glass** beside Insurance Declaration Received to preview the letter; the Modify Letter Fields screen is displayed. Edit the subject and salutation and select **OK**. The **Flood Mortgage Clause Letter** is displayed.

Step 10. The printer icon beside the step enables the HUD contractor to auto-save the document to the **Documents** tab. Select the **printer icon**; the Modify Letter Fields screen is displayed. Edit the subject and salutation and click **OK**. The **Flood Mortgage Clause** Letter is displayed. This action auto-saves the document in the **Documents** tab and auto-completes the step.

Step 11. To generate the **Flood Insurance Renewal Verification Letter**, click the **magnifying glass** beside Mail Renewal Verification Letter to preview the letter; the **Modify Letter Fields** screen is displayed. Edit the subject and salutation and select **OK**. The **Flood Insurance Renewal Verification Letter** is displayed.

Step 12. The printer icon beside the step allows the HUD contractor to auto-save the document to the **Documents** tab. Select the **printer icon**; the Modify Letter Fields window is displayed. Edit the subject and salutation and select **OK**. The **Flood Mortgage Clause Letter** is displayed. This action auto-saves the document in the **Documents** tab and auto-completes the step.

Step 13. Complete the steps in the timeline when the corresponding activity tied to the step is complete. To complete steps in the timeline, click the step, For example step **Policy Expires.**

Step 14. Populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

Step 15. The completion date is populated beside the step **Policy Expires.**

Step 16. The step **Send 2nd Request for Policy Verification** is automatically added by the system after an overnight process. The following criteria must be satisfied: One day has passed since completion of the step **Policy Expires** and the step **Received Notification of Policy Cancellation** does not exist on the timeline.

Step 17. To complete the step **Send 2nd Request for Policy Verification**, select the step, populate the completion date, add a note in the notes field if applicable, and click **Submit** on **Edit Step** window as explained above.

Step 18. The step **Notify Loan Counselor** is automatically added by the system after an overnight process. The following criteria must be satisfied: 14 or more days have passed since completion of the step **Send 2nd Request for Policy Verification** OR the step **Received Notification of Policy Cancellation** (this is an optional step) is completed.

Step 19. To add an optional step, click **New.**

Step 20. Select an optional step (for example: Received Notification of Policy Cancellation) from the **Step Description** dropdown that needs to be added on the timeline and click **Submit** on the new window. The step will be added to the list of steps.

Figure 7-197: New Step – Assigned Flood Policy

Step 21. To complete the step, **Select** the step and populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

Step 22. Repeat the above instructions to add and complete other optional steps.

Step 23. To generate the **Flood Req – Proof of Insurance Letter**, click the **magnifying glass** beside **Mail Certified Letter to Borrower** to preview the letter; the Modify Letter Fields window is displayed. Edit the subject and salutation and select **OK**. The Flood Req – Proof of Insurance Letter is displayed.

Step 24. The printer icon beside the step enables the HUD contractor to auto-save the document to the **Documents** tab. Select the **printer icon**; the Modify Letter Fields window is displayed. Edit the subject and salutation and select **OK**. The **Flood Req – Proof of Insurance** Letter is displayed. This action auto-saves the document in the **Documents** tab and auto-completes the step.

Step 25. Complete the step **Return Receipt Received from Borrower** when the receipt is received from the borrower. To complete the step, select the step, populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

7.4.1.4 Insurance/Loss Draft Administration

The mortgagor files a claim with their hazard insurance company when the HECM property has been damaged by fire, flood, windstorm or similarly insurable hazards. HUD will work with the mortgagor

to determine how the insurance proceeds will be used. If it is determined that the property will be repaired, this timeline will be initiated by HUD NSC Contractor to monitor the restoration process and ensure the appropriate use of the insurance claim funds.

This timeline can be initiated only if loss draft funds are available. The system will automatically add the initial timeline when the Loss Draft transaction is created on the loan. Refer to the Disbursements – Loss Draft transactions in **Section 6.15** for details about how to generate the transaction. This timeline does not require HUD NSC Staff interaction.

Multiple active Insurance/Loss Draft Administration timelines can be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Insurance/Loss Draft Administration** timeline:

Step 1. From the **Assigned** menu, select **Compliance**, and click **Search**.

Step 2. On the **Assigned Compliance Search** Screen, enter the search criteria, including a Servicing Type of Insurance/Loss Draft Administration and click Submit to retrieve the timelines that have been auto-initiated by the system.

Figure 7-198: Compliance Search – Assigned Loss Draft Administration

Step 3. From the search results, select a loan to view or edit the timeline.

Step 4. The **Compliance Steps** screen for Insurance/Loss Draft Administration timeline is displayed.

Figure 7-199: Timeline Steps – Assigned Loss Draft Administration

Step 5. Complete the steps in the timeline when the corresponding activity tied to the step is complete.

Step 6. The step **Initiate Insurance/Loss Draft Administration** is auto-completed by the system with the timeline created date.

Step 7. To complete remaining steps, **select** the step you want to complete, populate the complete date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

Step 8. To add an optional step, click **New.**

Figure 7-200: New Step for Loss Draft Administration

Step 9. Select an optional step from the **Step Description** dropdown that needs to be added on the timeline and click **Submit** on the new window. The step will be added to the list of steps.

Step 10. To complete the step, select the step and populate the completion date, add a note in the Notes field if applicable, click **Submit** on the **Edit Step** window.

Step 11. Repeat the above instructions to add and complete other optional steps.

To manually initiate the timeline:

Step 1. From the Assigned menu, select **Compliance**, and click **Setup**.

Step 2. On the **Assigned Compliance Setup Search** Screen, enter the loan search criteria and click **Search.**

Figure 7-201: Setup Search – Assigned Loss Draft Administration

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** screen, select Insurance/Loss Draft Administration from the Servicing Type dropdown and populate the required fields (marked with an asterisk).

Figure 7-202: Editing Servicing Management – Assigned Loss Draft Administration

Step 5. Click the **Go to Servicing Steps after Submit** checkbox (at the bottom of the **Edit Servicing Management** screen).

Step 6. Click **Submit**. (If you click **Cancel**, the Assigned Compliance Setup Search Screen will be displayed).

Step 7. The **Compliance Steps** screen for **Request for Insurance/Loss Draft Administration** timeline is displayed.

Figure 7-203: Timeline Steps – Assigned Loss Draft Administration

Step 8. To add multiple **Insurance/Loss Draft Administration** timelines, repeat the steps above to initiate and complete the timeline as mentioned above for the second timeline.

7.4.1.5 Request for Unscheduled Advance

A HUD NSC Contractor initiates this timeline when an unscheduled advance request is received from the mortgagor. This timeline can be initiated only if the pay plan type is modified term, modified tenure or line of credit.

It does not require HUD NSC Staff interactions and can be initiated and completed by a HUD NSC Contractor. Multiple active Unscheduled Advance timelines can be associated with a loan. The Servicing Management tab can be used to activate or inactivate the timeline and edit inspection information. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Request for Unscheduled Advance** timeline:

Step 1. From the **Assigned** menu, select **Compliance,** and click **Setup.**

Step 2. On the Assigned **Compliance Setup Search** Screen, enter the loan search criteria and click **Search**.

Figure 7-204: Compliance setup for Unscheduled Advance

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** screen, select Request for Unscheduled Advance from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk).

Figure 7-205: Editing Servicing Management – Assigned Unscheduled Advance

Step 5. Click the checkbox beside **Go to Servicing Steps after Submit** (at the bottom of the **Edit Servicing Management** window).

Step 6. Click **Submit** (If you click **Cancel**, the Assigned Compliance Setup Search Screen will be displayed).

Step 7. The **Compliance Steps** screen for Request for Unscheduled Advance timeline is displayed.

Figure 7-206: Timeline Steps – Assigned Unscheduled Advance

Step 8. Complete the steps in the timeline when activity corresponding to the step is complete.

Step 9. The step **Request for funds Received from Borrower** is pre-populated with the created date of the timeline. This step is auto-completed.

Step 10. To complete remaining steps, Request for funds verified by Loan Counselor and Cash Management Approved Unscheduled Request for Funds, **select** the step, populate the

complete date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

Step 11. To add an optional step (Contacted borrower/POA for further verification or Unable to Verify / Void Request for Funds) click **New**.

Figure 7-207: New Step - Assigned Unscheduled Advance

Step 12. Select an optional step from the **Step Description** dropdown that needs to be added on the timeline and click **Submit** on the new window. The step will be added to the list of steps.

Step 13. To complete the step, select it and populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

Step 14. Repeat the above instructions to add and complete other optional steps.

To add multiple requests for Unscheduled Advance timelines, repeat the steps above to initiate and complete the timeline as mentioned above for the second timeline.

7.4.1.6 Taxes Delinquent

When the mortgagor defaults on taxes, a HUD NSC Contractor initiates this timeline to track the tax payment. The delinquent notification is sent to the mortgagor requesting the tax payment to avoid the loan becoming due and payable. The system will automatically initiate the timeline if the FARETS file processed includes the corresponding FHA Case #.

It does not require HUD NSC Staff interactions and can be initiated and completed by a HUD NSC Contractor. Multiple active Taxes Delinquent timelines can be initiated on a loan to track multiple delinquencies. The Servicing Management tab can be used to activate or inactivate the timeline and edit inspection information. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Taxes Delinquent** timeline:

Step 1. From the **Assigned** menu, select **Compliance**, and click **Setup**.

Step 2. On the **Assigned Compliance Setup Search** Screen, enter the loan search criteria and click **Search**.

Figure 7-208: Compliance Setup – Assigned Taxes Delinquent

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. From the **Edit Servicing Management** screen, select Taxes Delinquent from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk).

Figure 7-209: Edit Servicing Management – Assigned Taxes Delinquent

Step 5. Click the checkbox beside **Go to Servicing Steps after Submit** (at the bottom of the **Edit Servicing Management** Window).

Step 6. Click **Submit** (If you click **Cancel**, the Assigned Compliance Setup Search Screen will be displayed).

Step 7. The **Compliance Steps** screen for Taxes Delinquent timeline is displayed.

Figure 7-210: Timeline Steps – Assigned Taxes Delinquent

Step 8. The step **Delinquent Notification Received** completion date is pre-populated with the timeline created date. If timeline initiated by the system, this step is completed with the date the FARETS file was processed for the corresponding FHA Case #.

Step 9. To generate the Taxes Delinquent – 10 Day Letter, click the **magnifying glass** beside **Mail Borrower Delinquent Letter** step to preview the letter; the Modify Letter Fields screen is displayed. Edit the subject and salutation and select **OK**. The Taxes Delinquent – 10 Day Letter is displayed.

Step 10. The printer icon beside the step enables the HUD contractor to auto-save the document to the **Documents** tab. Select the **printer icon**; the Modify Letter Fields screen is displayed. Edit the subject and salutation and click **OK**. The Taxes Delinquent – 10 Day Letter is displayed. This action auto-saves the document in the **Documents** tab and auto-completes the step.

Step 11. If proof of taxes paid is received, complete the step **Received Proof of Taxes Paid**. To complete step in the timeline, click the step, populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

Step 12. If authorization received to pay taxes, add the optional step **Authorization Received/Pay Taxes**.

Step 13. To add an optional steps click **New.**

Step 14. Select an optional step from the **Step Description** dropdown that needs to be added on the timeline and click **Submit** on the new screen. The step will be added to the list of step.

Step 15. To complete the step, select the step and populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

Figure 7-211: New Step- Assigned Taxes Delinquent

Step 16. To pay the taxes, the HUD NSC Contractor must select the Servicing Management tab. On the Servicing Management tab, click **Pay Taxes**. A new screen is displayed with New Tax Disbursement; select the Payee from the dropdown and click **Submit**. A new screen is displayed with **Edit Disbursement**; populate the disbursement amount and click **Submit**. The Disbursements tab is displayed with the new Taxes transaction.

Step 17. To trigger the step, **Mail Letter of Taxes Paid**, the following criteria must be satisfied: The optional step Authorization Received/Pay Taxes must be added on the timeline and completed and the taxes must be paid as explained in the above step.

Step 18. To generate the **Taxes Delinquent/Paid For Borrower** Letter, click on the magnifying glass beside **Mail Letter of Taxes Paid** step to preview the letter, the Modify Letter Fields window is displayed. Edit the Subject and Salutation and select **OK**. The **Taxes Delinquent/Paid For Borrower Letter** is displayed.

Step 19. The printer icon beside the step allows the HUD Contractor to auto-save the document to the **Documents** tab. Select the **printer icon,** the Modify Letter Fields screen is displayed. Edit the Subject and Salutation and select **OK**. The **Taxes Delinquent/Paid For Borrower Letter** is displayed. This action auto-saves the document in the Documents tab and auto-completes the step.

Step 20. Repeat the above instructions to add and complete other optional steps.

Step 21. To add multiple Taxes Delinquent timelines, repeat the steps above to initiate and complete the timeline as mentioned above for the second timeline.

7.4.2   Disposition Timelines

7.4.2.1 Due and Payable

The Due & Payable timeline is initiated by a HUD NSC Contractor to record the Due and Payable event. The HUD NSC Contractor does not need HUD NSC staff approval on this timeline.

When a HUD NSC Contractor populates the death date of last surviving mortgagor on the Contact Screen, the system automatically initiates the Due & Payable timeline with the default reason of Death. For all other default reasons, a HUD NSC Contractor must manually initiate the timeline.

When this timeline is initiated, the case sub-status is updated to Due and Payable. If the timeline is inactivated, the case sub-status is updated accordingly.

Multiple active Due & Payable timelines cannot be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline and update the default date and default reason (other than Death). Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Due & Payable** timeline with a default reason of Death:

Step 1. Select the **Loan** menu option on the header.

Step 2. On the **Loan Search** Screen, enter the search criteria and click **Search**.

Figure 7-212: Loan Search – Assigned Due and Payable

Step 3. From the search results, select a loan.

Step 4. The **Loan Balance** screen is displayed.

Step 5. Select the **Contacts** tab.

Figure 7-213: Contact Information - Assigned Due and Payable

Step 6. Select the **Document** icon beside the last surviving borrower contact name.

Figure 7-214: Contact Information – Assigned Due and Payable

Step 7. Populate the Death Date on the contact information screen and click **Submit**. The case sub-status is updated to Due and Payable. The system will automatically initiate the **Due and Payable** timeline for this loan.

Step 8. From the **Assigned** menu, select **Disposition** and click **Search**.

Step 9. On the **Assigned Disposition** Search Screen, enter the search criteria, select Servicing Type to Due and Payable and click **Submit** to retrieve the timeline that has been auto-initiated by the system.

Figure 7-215: Disposition Search – Assigned Due and Payable

Step 10. Select the loan to view or edit the timeline.

Step 11. The **Disposition Steps** screen for Due and Payable timeline is displayed.

Figure 7-216: Timeline Steps – Assigned Due & Payable

Step 12. The step **Disposition Even Occurred** completion date is pre-populated with the Death Date.

Step 13. To generate the Condolence Letter, click the magnifying glass beside the **Mail Condolence / Repayment Letter** step to preview the letter; the Modify Letter Fields screen is displayed. Edit the subject and salutation and select **OK**. The Condolence Letter is displayed.

Step 14. The printer icon beside the step enables the HUD contractor to auto-save the document to the **Documents** tab. Select the **printer icon**; the Modify Letter Fields screen is displayed. Edit the subject and salutation and select **OK**. The **Condolence Letter** is displayed. This action auto-saves the document in the **Documents** tab and auto-completes the step.

Step 15. To generate the **Loss Mitigation** letter, click the **magnifying glass** beside the **Mail Loss Mit Letter(s)** step to preview the letter; the Loss Mitigation letter is displayed. The printer icon beside the step enables the HUD contractor to auto-save the document to the **Documents** tab.

Step 16. Select the printer icon; the **Loss Mitigation letter** is displayed. This action auto-saves the document in the **Documents** tab and auto-completes the step.

Step 17. Complete the steps in the timeline when the activity corresponding to the step is complete. To complete any step in the timeline, click the step, for example, step **Follow Up Phone Attempt.**

Figure 7-217: Edit Step – Assigned Due and Payable

Step 18.Populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

Step 19.The completion date is populated beside the step **Follow Up Phone Attempt** on the **Disposition Steps** screen.

Step 20.To add an optional step, click **New.**

Figure 7-218: New Step for Due and Payable

Step 21.Select an optional step from the **Step Description** dropdown that needs to be added on the timeline and click **Submit** on the new window. The step will be added to the list of steps.

Step 22.To complete the step, select the step and populate the completion date, add a note in the Notes field if applicable, click **Submit** on the **Edit Step window**.

Step 23.Repeat the above instructions to add and complete other optional steps.

To initiate and complete the Due & Payable timeline – default reason other than death:

Step 1. From the **Assigned** menu, select **Disposition**, and click **Setup**.

Step 2. On the **Assigned Disposition Setup** Search Screen, enter the loan search criteria and click **Search.**

Figure 7-219: Disposition Setup Search – Assigned Due and Payable

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** Screen, select Due & Payable from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk).

Figure 7-220: Edit Servicing Management - Assigned Due and Payable

Step 5. Click the Checkbox beside **Go to Servicing Steps after Submit** (at the bottom of the **Edit Servicing Management** Window).

Step 6. Click **Submit** (If you click **Cancel**, the Assigned Disposition Setup Search Screen will be displayed).

Step 7. The **Disposition Steps** screen for Due & Payable timeline is displayed.

Figure 7-221: Timeline Steps – Assigned Due and Payable

Step 8. The step **Disposition Even Occurred** completion date is pre-populated with the timeline created date.

Step 9. To generate the Repayment Letter, click the magnifying glass beside **Mail Condolence / Repayment Letter** step to preview the letter; the Modify Letter Fields screen is displayed. Edit the subject and salutation and select **OK**. The Repayment Letter is displayed.

Step 10. The printer icon beside the step enables the HUD contractor to auto-save the document to the **Documents** tab. Select the **printer icon**; the Modify Letter Fields screen is displayed. Edit the subject and salutation and click **OK**. The **Repayment Letter** is displayed. This action auto-saves the document in the **Documents** tab and auto-completes the step.

Step 11. To generate the Loss Mitigation letter, click the **magnifying glass** beside the **Mail Loss Mit Letter(s)** step to preview the letter; the Loss Mitigation letter is displayed.

Step 12. The printer icon beside the step enables the HUD contractor to auto-save the document to the **Documents** tab. Select the **printer icon**, the Loss Mitigation letter is displayed. This action auto-saves the document in the Documents tab and auto-completes the step.

Step 13. Complete the steps in the timeline when the corresponding activity tied to the step is complete. To complete any step in the timeline, click the step, for example, step **Follow Up Phone Attempt.**

Figure 7-222: Edit Step – Assigned Due and Payable

Step 14. Populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

Step 15. The completion date is populated beside the step **Follow Up Phone Attempt** on the **Disposition Steps** screen.

Step 16. To add an optional step click **New.**

Figure 7-223: New Step – Assigned Due and Payable

Step 17. Select an optional step from the **Step Description** dropdown that needs to be added on the timeline and click **Submit** on the new window. The step will be added to the list of steps.

Step 18. To complete the step, select the step and populate the completion date, add a note in the notes field if applicable, click **Submit** on the **Edit Step window**.

Step 19. Repeat the above instructions to add and complete other optional steps

7.4.2.2 Loss Mitigation - Deed-in-Lieu

A HUD NSC Contractor initiates a Loss Mitigation – Deed-in-Lieu (DIL) timeline when a mortgagor is willing to surrender the property to the mortgagee (HUD) and to be released from the mortgage obligations. This timeline is initiated and completed by a HUD NSC Contractor to track the Deed-in-Lieu process; it does not require HUD NSC Staff interaction. Upon initiation of this timeline, the case sub-status is updated to DIL. If the timeline is inactivated, the case sub-status is updated accordingly.

Multiple active Loss Mitigation–Deed-in-Lieu timelines cannot be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline and update the attorney information. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Loss Mitigation – Deed-in-Lieu** timeline:

Step 1. From the **Assigned** menu, select Disposition, under **Disposition**, and click **Setup**.

Step 2. On the Assigned **Disposition Setup Search** Screen, enter the loan search criteria and click **Search.**

Figure 7-224: Disposition Search for Loss Mitigation Deed-In-Lieu

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** screen, select Loss Mitigation – Deed-in-Lieu from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk).

Figure 7-225: Edit Servicing Management – Assigned Loss Mitigation DIL

Step 5. Click the checkbox beside **Go to Servicing Steps after Submit** (at the bottom of the **Edit Servicing Management** window).

Step 6. Click **Submit** (If you click **Cancel,** the Assigned Disposition Setup Search Screen will be displayed).

Step 7. The **Disposition Steps** screen for Loss Mitigation – Deed-in-Lieu timeline is displayed.

Figure 7-226: Timeline Steps – Assigned Loss Mitigation DIL

Step 8. The step **Initiate DIL** completion date is pre-populated with the timeline created date.

Step 9. To generate the Deed-In-Lieu Attorney Referral Letter, click the magnifying glass beside the **Mail Condolence / Repayment Letter** step to preview the letter, the Modify Letter Fields screen is displayed. Edit the subject and salutation and select **OK**. The Deed-In-Lieu Attorney Referral Letter is displayed.

Step 10. The printer icon beside the step enables the HUD contractor to auto-save the document to the **Documents** tab. Select the **printer icon**; the Modify Letter Fields screen is displayed. Edit the subject and salutation and click **OK**. The **Deed-In-Lieu Attorney Referral Letter** is displayed. This action auto-saves the document in the **Documents** tab and auto-completes the step.

Step 11. Complete the steps in the timeline when the activity corresponding to the step is complete. To complete any step in the timeline, click the step (For example, step **Review Title Report from Attorney).**

Figure 7-227: Edit Step – Assigned Loss Mitigation DIL

Step 12.Populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

Step 13.The **completion date** is populated beside the step Review Title Report from Attorney on the **Disposition Steps** screen.

Step 14.Repeat the steps above to complete the other remaining steps.

Step 15.To generate the Loan Removal and Conveyance sheet, click the **magnifying glass** beside Loan Conveyed - Balances Removed step to update and print the Loan Removal and Conveyance sheet.

Step 16.A new screen is displayed with the **Loan Removal and Conveyance** sheet with options to review and print document. Update the sheet and once the changes have been made, select the Preview Document link to view the updated document.

Step 17.To auto-save the changes made to the document select the Print Document link. Select Open on the File Download pop-up window. This action will save the updated **Loan Removal and Conveyance** sheet to the Documents tab. Refresh the screen to auto-complete the step.

Step 18.To add an optional step, click **New.**

Figure 7-228: New Step – Assigned Loss Mitigation DIL

Step 19.Select an optional step from the **Step Description** dropdown that needs to be added on the timeline and click **Submit** on the new window. The step will be added to the list of steps.

Step 20.To complete the step, select the step and populate the completion date, add a note in the Notes field if applicable, click **Submit** on the **Edit Step window**.

Step 21.Repeat the above instructions to add and complete other optional steps.

7.4.2.3 Loss Mitigation – Family Sale Pending

The HUD NSC Contractor initiates this timeline to track the status on a pending family sale effort and to complete the process to terminate the loan.

This timeline is initiated and completed by a HUD NSC Contractor; it does not require HUD NSC staff interactions. When this timeline is initiated, the case sub-status is updated to Family Sale Pending. If the timeline is inactivated, the case sub-status is updated accordingly.

Multiple active Loss Mitigation–Family Sale Pending timelines cannot be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Loss Mitigation – Family Sale Pending** timeline:

Step 1. On the **Assigned** menu, select **Disposition**, and click **Setup**.

Step 2. On the **Assigned Disposition Setup** Search Screen, enter the loan search criteria and click **Search.**

Figure 7-229: Disposition Setup Search – Assigned Family Sale Pending

Step 3. From the search results, select loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** Screen, select Loss Mitigation – Family Sale Pending from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk).

Figure 7-230: Edit Servicing Management – Assigned Family Sale Pending

Step 5. Click the checkbox beside **Go to Servicing Steps after Submit** (at the bottom of the **Edit Servicing Management** Window).

Step 6. Click **Submit** (Note: If you click Cancel, the Assigned Disposition Setup Search Screen will be displayed).

Step 7. The **Disposition Steps** screen for Loss Mitigation – Family Sale Pending timeline is displayed.

Figure 7-231: Timeline Steps – Assigned Loss Mitigation Family Sale Pending

Step 8. The step **Initiate Family Sale Pending** completion date is pre-populated with the timeline created date.

Step 9. Complete the steps in the timeline when the corresponding activity tied to the step is complete. To complete any step in the timeline, click the step. For example step **Received Listing Agreement**.

Figure 7-232: Edit Step – Assigned Family Sale Pending

Step 10. Populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

Step 11. The completion date is populated beside the step Received Listing Agreement on the **Disposition Steps** screen.

Step 12. To trigger the step **Follow up for Status of Sales Effort**, the following criteria must be satisfied:
- o Less than 8 months since step Initiate Family Sale Pending was completed
- o 30 or more days passed since optional step Follow Up was completed
- o Step Received Sales Proceeds has not been completed

Step 13. Complete **Follow up for Status of Sales Effort** step.

Step 14. To add an optional step, click **New**.

Figure 7-233: New Step – Assigned Family Sale Pending

Step 15. Select an optional step from the **Step Description** dropdown that needs to be added on the timeline and click **Submit** on the new screen. The step will be added to the list of steps.

Step 16. To complete the step, select the step and populate the completion date, add a note in the Notes field if applicable, click **Submit** on the **Edit Step** window.

Step 17. Repeat the above instructions to add and complete other optional steps.

7.4.2.4 Loss Mitigation – Short Sale

This timeline is initiated by a HUD NSC Contractor to track a short sale on a HECM loan. A short sale is when a HECM loan is sold by the mortgagor for less than the payoff amount or less than the appraised value of the property.

If the loan is Due & Payable the property must sell for no less than a certain threshold percentage of the appraised value as established by HUD. If the loan is not Due & Payable then the sale price of the property must be the appraised value. This timeline is initiated and completed by a HUD NSC Contractor; this timeline **requires** HUD NSC Staff interaction. Upon initiation of this timeline, the case sub-status is updated to Short Sale Initiated. If the timeline is inactivated, the case sub-status is updated accordingly.

Multiple active Loss Mitigation–Short Sale timelines cannot be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline and edit the short sale information. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Loss Mitigation – Short Sale** timeline:

Step 1. From the **Assigned** menu, select **Disposition** and click **Setup**.

Step 2. On the **Assigned Disposition** Setup Search Screen, enter the loan search criteria and click **Search.**

Figure 7-234: Disposition Setup Search – Assigned Short Sale

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** Screen, select Loss Mitigation – Short Sale from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk). The short sale information can be edited on the **Servicing Management** tab after the initiation of a timeline.

Figure 7-235: Edit Servicing Management – Assigned Short Sale

Step 5. Click the Checkbox beside **Go to Servicing Steps after Submit** (at the bottom of the **Edit Servicing Management** Screen).

Step 6. Click **Submit** (Note: If you click Cancel, the Assigned Disposition Setup Search Screen will be displayed).

Step 7. The **Disposition Steps** screen for Loss Mitigation – Short Sale timeline is displayed.

Figure 7-236: Timeline Steps – Assigned Loss Mitigation Short Sale

Step 8. The step Initiate Short Sale Process completion date is pre-populated with the timeline created date.

Step 9. Complete the steps in the timeline when the corresponding activity tied to the step is complete. To complete any step in the timeline, click the step. For example step **Received Required Documents**.

Figure 7-237: Edit Step - Assigned Short Sale

Step 10. Populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

Step 11. The completion date is populated beside the step **Received Required Documents** on the **Disposition Steps** screen.

Step 12. To generate the **Short Sale Calculation** worksheet, click the **magnifying glass** beside Prepare Short Sale Calculation Worksheet step to update and print the Short sale calculation worksheet.

Step 13.A new window is displayed with the **Short sale calculation** worksheet with options to update calculations, Preview and Print Worksheet. Update the calculation worksheet as needed.

Step 14.Once the changes have been made, select the Preview Worksheet link to view the updated document. To auto-save the changes made to the document select the Print Worksheet link. Select **Open** on the File Download pop-up window. This action will save the updated Short sale calculation worksheet to the Documents tab. **Refresh** the screen to auto-complete the step.

Step 15.Repeat the steps above to complete the other remaining steps.

Step 16.To add an optional step Short Sale Pending Additional Documentation, click **New.**

Figure 7-238: New Step for Short Sale

Step 17.Select the optional step from the **Step Description** dropdown click **Submit** on the new window. The step will be added to the list of steps.

Step 18.To generate the **Short Sale Pending Letter**, click the **magnifying glass** beside Short Sale Pending Additional Documentation step to update and print the Short sale Pending Letter. A new screen is displayed with the **Short Sale Pending Letter** with options to preview or print the document.

Step 19.Update the sheet and once the changes have been made, select the Preview Document link to view the updated document. To auto-save the changes made to the document select the Print Document link. Click **Open** on the File Download pop-up screen. This action will save the updated Short sale Pending Letter to the Documents tab. **Refresh** the screen to auto-complete the step.

Step 20.**HUD NSC Staff:** Only the step group HUD can add the optional steps **Short Sale Approved** by HUD or Short Sale Denied by HUD. To add and complete the step, click **New**.

Step 21.Select the optional step from the **Step Description** dropdown and click **Submit** on the new screen. The step will be added to the list of steps.

Step 22.To complete the step, select the step and populate the completion date, add a note in the Notes field if applicable, click **Submit** on the **Edit Step** window.

Step 23.The next step will be performed by HUD NSC Contractor if the short sale was approved by HUD.

Step 24. The HUD NSC Contractor will add the optional step **Send Short Sale Approval Letter**. Click **New**, select the optional step from the step description dropdown, and click **Submit** on the new screen. The step will be added to the list of steps.

Step 25. To generate the **Short Sale Approval Letter**, click the **magnifying glass** beside Send Short Sale Approval Letter step to update and print the **Short Sale Approval Letter**. A new screen is displayed with the Short Sale Approval Letter with options to Preview and Print Document.

Step 26. Update the sheet and once the changes have been made, select the **Preview Document** link to view the updated document. To auto-save the changes made to the document select the Print Document link. Select Open on the File Download pop-up screen. This action will save the updated **Short Sale Approval Letter** to the **Documents** tab. Refresh the screen to auto-complete the step.

7.4.2.5 Loss Mitigation – Pre-Foreclosure

If the mortgagor's loan becomes due and payable, the HUD NSC Contractor initiates this timeline to track pre-foreclosure activities until the loan is referred for Foreclosure. This timeline is initiated and completed by a HUD NSC Contractor and **requires** HUD NSC Staff approval. When this timeline is initiated, the case sub-status is updated to Loss Mit/Pre FCL. If the timeline is inactivated, the case sub-status is updated accordingly.

Multiple active Loss Mitigation – Pre-Foreclosure timelines cannot be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline and edit the attorney and default reason. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Loss Mitigation – Pre-foreclosure** timeline:

7.4.2.5.1   Initiate Timeline – HUD NSC Contractor Activities

The HUD NSC Contractor must perform the following steps to initiate the timeline:

Step 1. From **Assigned** menu, select **Disposition**, and click **Setup**.

Step 2. On the **Assigned Disposition Setup** Search Screen, enter the loan search criteria and click **Search**.

Figure 7-239: Disposition Setup Search – Assigned Pre-Foreclosure

Step 3. From the search results, click a loan to initiate the timeline

Step 4. On the **Edit Servicing Management** Screen is displayed, select Loss Mitigation – Pre-Foreclosure from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk).

Figure 7-240: Edit Servicing Management – Assigned Pre-Foreclosure

Step 5. Click the checkbox beside **Go to Servicing Steps after Submit** (at the bottom of the **Edit Servicing Management** Window).

Step 6. Click **Submit** (Note: If you click **Cancel**, the Assigned Disposition Setup Search Screen will be displayed).

Step 7. The **Disposition Steps** screen for Loss Mitigation – Pre-Foreclosure timeline is displayed.

Figure 7-241: Timeline Steps – Assigned Loss Mitigation Pre-Foreclosure

Step 8. To **generate** the HECM **Foreclosure/DIL checklist** for HUD approval, click the **magnifying glass** beside Prepare Foreclosure Check List step to update and print the HECM Foreclosure/DIL checklist. A new screen is displayed with the Foreclosure/DIL checklist with options to Preview Document and Print Document.

Step 9. Update the sheet and once the changes have been made, select the Preview Document link to view the updated document. To auto-save the changes made to the document select the **Print Document** link. **Select** Open on the File Download pop-up window. This action will save the updated HECM **Foreclosure/DIL checklist** to the **Documents** tab. Refresh the screen to auto-complete the step.

Step 10.To **generate** the **Foreclosure check sheet**, click the **magnifying glass** beside **Prepare Form 92218 step** to update and print the Foreclosure check sheet. A new screen is displayed with the Foreclosure check sheet with options to Preview Document and Print Document.

Step 11.Update the sheet and once the changes have been made, select the Preview Document link to view the updated document. To auto-save the changes made to the document select the **Print Document link**. Select Open on the File Download pop-up window. This action will save the updated **Foreclosure check sheet** to the **Documents** tab. Refresh the screen to auto-complete the step.

Step 12.Complete the step "**Request Approval by HUD to Foreclose**" when the request has been sent for HUD approval to initiate the foreclosure proceedings.

Figure 7-242: Edit Step – Assigned Pre-Foreclosure

7.4.2.5.2   HUD NSC Staff Activities

HUD NSC Staff must perform the following steps:

Step 13.The HUD NSC staff will add the optional step "**HUD Approval / Attorney Assignment**" or "**Request Denied by HUD**" when the decision has been made.

Step 14.To add and complete the step, click New. Select the optional step from the **Step Description** dropdown and click Submit on the new screen. The step will be added to the list of steps.

Step 15.To complete the step, select the step and populate the completion date, add a note in the Notes field if applicable, click **Submit** on the **Edit Step** window.

7.4.2.5.3   HUD NSC Contractor Activities

HUD NSC Contractor must perform the following steps:

Step 16.If HUD approves the request, the HUD NSC Contractor must complete the step "**Transfer to Foreclosure Department**". Upon completion of this step, the **Foreclosure** timeline is automatically initiated by the system.

Step 17.To generate the Notice of Intent (**NOI) Letter**, click the **magnifying glass** beside send NOI and Occupied Conveyance step to preview the letter, the Modify Letter Fields screen is displayed. Edit the subject and salutation and select **OK**. The NOI Letter & Occupied Conveyance Letter is displayed.

Step 18.The printer icon beside the step allows the HUD contractor to auto-save the document to the **Documents** tab. Select the **printer icon**, the Modify Letter Fields window is displayed. Edit the subject and salutation and select **OK**. The **NOI Letter** is displayed. This action auto-saves the document in the **Documents** tab and auto-completes the step.

Step 19.To add an optional step associated with HUD NSC Contractor click **New.**

Figure 7-243: New Step – Assigned Pre-Foreclosure

Step 20.Select an optional step from the **Step Description** dropdown that needs to be added on the timeline and click **Submit** on the new window. The step will be added to the list of steps.

Step 21.To complete the step, select the step and populate the completion date, add a note in the Notes field if applicable, click **Submit** on the **Edit Step** window.

Step 22.Repeat the above instructions to add and complete other optional steps.

7.4.2.6 Write-Off Review

When a write-off of the loan balance is recommended to HUD, a HUD NSC Contractor initiates the Write-Off Review timeline in order to complete the review process and seek HUD's approval for the write-off.

Multiple active Write-Off Review timelines cannot be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Write-Off Review** timeline:

Step 1. From the **Assigned** menu option, select Disposition, and click **Setup**.

Step 2. On the **Assigned Disposition Setup Search** Screen, enter the loan search criteria and click **Search.**

Figure 7-244: Disposition Setup Search – Assigned Write-Off Review

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** Screen, select **Write-Off Review** from the Servicing Type dropdown and populate the required fields (marked with an asterisk).

Figure 7-245: Edit Servicing Management – Assigned Write-Off Review

Step 5. Click the checkbox beside **Go to Servicing Steps after Submit** (at the bottom of the **Edit Servicing Management** Window).

Step 6. Click **Submit** (Note: If you click **Cancel**, the Assigned Disposition Setup Search screen will be displayed).

Step 7. The **Disposition Steps** screen for Write-Off Review timeline is displayed.

Figure 7-246: Timeline Steps – Assigned Loss Mitigation Write-Off Review

Step 8. The step **Loan Reviewed for Write-Off Recommendation** completion date is pre-populated with the timeline created date.

Step 9. Complete the steps in the timeline when the corresponding activity tied to the step is complete. To complete any step in the timeline, click the step. For example step **Inspection Requested**.

Figure 7-247: Edit Step – Assigned Write-Off Review

Step 10. Populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

Step 11. The completion date is populated beside the step Inspection Requested on the **Disposition Steps** screen.

Step 12. Repeat the steps above to complete the other remaining steps.

Step 13. To add an optional step on the timeline, click **New.**

Figure 7-248: New Step – Assigned Write-Off Review

Step 14. Select the optional step from the **Step Description** dropdown and click **Submit** on the new screen. The step will be added to the list of steps.

Step 15. To complete the step, populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

Step 16. Repeat the above instructions to add and complete other optional steps.

Step 17. Once a HUD NSC Contractor completes the step Write-Off Recommendation to HUD. The next step can be completed only by the HUD NSC Staff.

7.4.2.6.1   HUD NSC Staff Activities

HUD NSC Staff must perform the following steps:

Step 18. When the HUD NSC Staff is ready to approve, the HUD NSC Staff will select the step **Approval of Write-Off** by HUD, **populate** the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step window**. This will complete the step.

7.4.3   Request Timelines

7.4.3.1 Certificate of Indebtedness

A HUD NSC Contractor initiates the Certificate of Indebtedness (COI) timeline when a request is received to show the loan balance. This timeline is initiated and completed by a HUD NSC Contractor; it does not require HUD NSC staff interaction.

Multiple active Certificate of Indebtedness timelines can be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Certificate of Indebtedness** timeline:

Step 1. From the Assigned menu, select **Request**, and click **Setup**.

Step 2. On the Assigned Request Setup Search Screen, enter the loan search criteria and click **Search.**

Figure 7-249: Request Setup – Assigned Certificate of Indebtedness

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** Screen, select **Certificate of Indebtedness** from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk).

Figure 7-250: Edit Servicing Management – Assigned Certificate of Indebtedness

Step 5. Click the checkbox beside **Go to Servicing Steps after Submit** (at the bottom of the **Edit Servicing Management** Window).

Step 6. Click **Submit** (Note: If you click Cancel, the **Assigned Request Setup Search** Screen will be displayed).

Step 7. The Request Steps screen for Certificate of Indebtedness timeline is displayed.

Figure 7-251: Timeline Steps – Assigned Certificate of Indebtedness

Step 8. The step **COI Request Received** complete date is pre-populated with the timeline created date.

Step 9. Complete the steps in the timeline when the corresponding activity tied to the step is complete.

Step 10. To complete a step, select the step, populate the completion date, add a note in the Notes field if applicable, and click **Submit** on **Edit Step** window.

Figure 7-252: Edit Step for Certificate of Indebtedness

7.4.3.2 Payoff Request

A HUD NSC Contractor initiates this timeline to track the payoff request from a mortgagor to payoff the outstanding loan balance. A loan is terminated when the outstanding loan balance is paid off in full. This timeline is initiated and completed by a HUD NSC Contractor; it does not require HUD NSC staff interactions.

Multiple active Payoff Request timelines cannot be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline and edit payoff request information. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Payoff Request** timeline:

Step 1. From the **Assigned** menu, select **Request**, and click **Setup**.

Step 2. On the **Assigned Request Setup Search** Screen, enter the loan search criteria and click **Search.**

Figure 7-253: Request Setup Search – Assigned Payoff Request

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** Window, **Select** Payoff Requests from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk).

Figure 7-254: Edit Servicing Management – Assigned Payoff Request

Step 5. Click the checkbox beside **Go to Servicing Steps after Submit** (at the bottom of the **Edit Servicing Management** Window).

Step 6. Click **Submit** (Note: If you click Cancel, the Assigned Request Setup Search Screen will be displayed).

Step 7. The **Requests Steps** screen for Payoff Requests timeline is displayed.

Figure 7-255: Timeline Steps – Assigned Payoff Request

Step 8. The step **Payoff Request Received** completion date is pre-populated with the timeline created date.

Step 9. To generate the **Payoff Statement**, click the **magnifying glass** beside step Issue Payoff Letter step to update and print the statement. A new screen is displayed with the Payoff Statement with options to Preview and Print Document.

Step 10. Update the **Payoff Statement** and once the changes have been made, select the Preview Document link to view the updated document. To auto-save the changes made to the document select the Print Document link. Select Open on the **File Download** pop-up screen. This action will auto-save the updated Payoff Statement to the **Documents** tab. Refresh the screen to auto-complete the step.

Step 11. Complete the steps in the timeline when the corresponding activity tied to the step is complete. To complete any step in the timeline, click the step. For example step **Payoff Amount Received**.

Figure 7-256: Edit Step – Assigned Payoff Request

Step 12. Populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

Step 13. The completion date is populated beside the step **Payoff Amount Received** on the **Requests Step** screen.

Step 14. Repeat the above instructions to complete the other remaining steps.

7.4.3.3 Zero Balance

When a payoff statement is requested on HUD's second mortgage, the HUD NSC contractor initiates this timeline to show that there are no funds advanced under the second note. This timeline is initiated and completed by a HUD NSC contractor. There is no interaction with the servicer.

Multiple active Zero Balance timelines can be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited.

To initiate a **Zero Balance** timeline:

Step 1. From the **Assigned** menu, select **Request**, and click **Setup.**

Step 2. On the **Assigned Request Setup Search** Screen, enter the loan search criteria and click **Search.**

Figure 7-257: Request Setup Search – Assigned Zero Balance

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** Screen select Zero Balance from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk).

Figure 7-258: Edit Servicing Management – Assigned Zero Balance

Step 5. Click the checkbox beside **Go to Servicing Steps after Submit** (at the bottom of the **Edit Servicing Management** Window).

Step 6. Click **Submit** (Note: If you click Cancel, the **Endorsed Request Setup Search** Screen will be displayed).

Step 7. The Request Steps screen for Zero Balance timeline is displayed.

Figure 7-259: Timeline Steps – Assigned Zero Balance

Step 8. The step **Zero Balance Letter Request Received** completion date is pre-populated with the timeline created date.

Step 9. To generate the **Zero Balance Letter** sheet, click on the **magnifying glass** beside Zero Balance Letter Sent to Requestor step to update and print the Zero Balance Letter. A new screen is displayed with the Zero Balance Letter with options to Preview Document and Print Document.

Step 10. Update the sheet and once the changes have been made, select the **Preview Document** link to view the updated document. To auto-save the changes made to the document select the **Print Document** link. Select Open button on the **File**

Download pop-up window. This action will save the updated Zero Balance Letter to the Documents tab. Refresh the screen to auto-complete the step.

7.4.4 Assigned Foreclosure Timeline

This timeline is automatically initiated by the system if the step 'Transfer to Foreclosure Department' is completed on the Loss Mitigation – Pre-Foreclosure timeline. This timeline can also be manually initiated by a HUD NSC Contractor when the Notice of Intent (NOI) expires to track the foreclosure process. This timeline requires HUD NSC Staff interaction. Upon initiation of this timeline, the case sub-status is updated to Foreclosure-Assigned. If the timeline is inactivated, the case sub-status is updated accordingly.

Multiple active Foreclosure timelines cannot be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline. Once inactivated all the steps within the timeline are greyed out and cannot be edited.

To initiate and complete the **Foreclosure** timeline:

Step 1. From the **Assigned** menu, select **Foreclosure,** under Foreclosure, and click **Search.**

Step 2. On the **Assigned Foreclosure Search** Screen, enter the search criteria and click **Search** to retrieve the timelines that have been auto-initiated by the system.

Figure 7-260: Search – Assigned Foreclosure

Step 3. Select the loan to view/edit the timeline.

Step 4. The **Foreclosure Steps** screen for Foreclosure timeline is displayed.

Figure 7-261: Timeline Steps – Assigned Foreclosure

Step 5. To generate the Department of Justice (DOJ)/ Non Judicial Foreclosure (NJF) Referral Letter, click the **magnifying glass** beside **Loan Referred to Commissioner** step to preview the letter, the **Modify Letter Fields** screen is displayed.

Step 6. Edit the subject and salutation and select **OK**. The DOJ/NJF Referral Letter is displayed. The **printer icon** beside the step allows the HUD contractor to auto-save the document to the **Documents** tab.

Step 7. Select the printer icon, the **Modify Letter Fields** screen is displayed. Edit the subject and salutation and select **OK**. The DOJ/NJF Referral Letter is displayed. This action auto-saves the document in the Documents tab and auto-completes the step.

Step 8. Complete the steps in the timeline when the corresponding activity tied to the step is complete. To complete any step in the timeline, click the step. For example step **Attorney Invoice Received**.

Step 9. Populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

Step 10. The completion date is populated beside the step **Attorney Invoice Received** on the **Foreclosure Steps** screen.

Step 11. To generate the **Occupied Conveyance Letter**, click the **magnifying glass** beside send Occupied Conveyance step to preview the letter, the Modify Letter Fields screen is displayed. Edit the subject and salutation and select **OK**. The Occupied Conveyance Letter is displayed.

Step 12. The printer icon beside the step allows the HUD contractor to auto-save the document to the **Documents** tab. Select the **printer icon**, the Modify Letter Fields window is displayed. Edit the subject and salutation and select **OK**. The **Occupied**

Conveyance Letter is displayed. This action auto-saves the document in the **Documents** tab and auto-completes the step.

Step 13. To generate the **Foreclosure Bidding Instructions Letter**, click the **magnifying glass** beside Foreclosure Bidding Instructions Sent step to preview the letter, the Modify Letter Fields window is displayed. Edit the subject and select **OK**. The Foreclosure Bidding Instructions Letter is displayed.

Step 14. The printer icon beside the step allows the HUD contractor to auto-save the document to the **Documents** tab. Select the **printer icon**, the Modify Letter Fields window is displayed. Edit the Subject and select **OK**. The **Foreclosure Bidding Instructions Letter** is displayed. This action auto-saves the document in the Documents tab and auto-completes the step.

Step 15. To add an optional step, click **New.**

Figure 7-262: New Step – Assigned Foreclosure

Step 16. Select an optional step from the **Step Description** drop down that needs to be added on the timeline and click **Submit** on New window. The step will be added to the list of steps.

Step 17. To complete the step, select it and populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

Step 18. Repeat the above instructions to add and complete other optional steps.

Step 19. The following step are automatically added by the system when the optional step **Title Issues** is added:
o   Title Issues Resolved

Step 20. The following steps are automatically added by the system in the timeline, when the optional step Order Occupancy Inspection is added and completed:
o   Inspection Results Received
o   Request Custodial Care
o   HUD Placed in Custodial Care (Note: The Custodial Care Placed Date database is locked down to prevent any manual editing of the value. It is automatically populated when a record for any case is included in the SAMS interface file).

Step 21. The following steps are automatically added by the system in the timeline, when the optional step Property sold 3rd Party is added and completed:
o   Received 10% down payment
o   Balance of 3rd party funds received

Step 22. The following steps are automatically added by the system in the timeline, when the optional step Vacate Letter Sent to Occupant is added and completed:
- o Follow Up on Vacate Letter
- o Refer to Attorney for Eviction
- o Eviction Hearing Date Set
- o Eviction Date Set / Schedule Lockout
- o Eviction Complete / Verification received

Step 23. The following steps are automatically added by the system, when the optional step Conveyance File sent to Cash Management is added and completed:
- o Loan Conveyed - Balances Removed
- o Conveyance Entered into P260 (Note: This step can only be completed by HUD. To complete the step, select the step in the timeline, populate the complete date optionally add note and click **Submit** on **Edit Step window**).

Step 24. The following steps are automatically added by the system, when the optional step **Received original unrecorded Deed from DOJ is** added and completed:
- o Foreclosure deed sent for recording
- o Received copy of recorded deed from county

Step 25. To generate the Notice to Voluntarily Vacate Letter, click the magnifying glass beside the **Vacate Letter Sent to Occupant** step to preview the letter; the Modify Letter Fields window is displayed. Edit the subject and select **OK**. The Notice to Voluntarily Vacate Letter is displayed.

Step 26. The printer icon beside the step enables the HUD contractor to auto-save the document to the **Documents** tab. Select the **printer icon**, the Modify Letter Fields window is displayed. Edit the subject and select **OK**. **The Notice to Voluntarily Vacate Letter** is displayed. This action auto-saves the document in the **Documents** tab and auto-completes the step.

Step 27. To generate the Eviction Referral Letter, click on the magnifying glass beside **Refer to Attorney for Eviction** step to preview the letter,. The Eviction Referral Letter is displayed.

Step 28. The printer icon beside the step allows the HUD contractor to auto-save the document to the **Documents** tab. Select the **printer icon**; the **Eviction Referral Letter** is displayed. This action auto-saves the document in the Documents tab and auto-completes the step.

Step 29. To generate the Conveyance of Loan Form sheet, click the magnifying glass beside **Conveyance File sent to Cash Management** step to update and print the Conveyance of Loan Form sheet. A new window is displayed with the **Conveyance of Loan Form** sheet with options to Preview Document and Print Document.

Step 30. Update the sheet, and once the changes have been made, select the Preview Document link to view the updated document. To auto-save the changes made to the document select the **Print Document** link. Select Open on the **File Download** pop-up window. This action will save the updated Conveyance of **Loan Form** sheet to the Documents tab. Refresh the screen to auto-complete the step.

To manually initiate the timeline:

Step 1. From the **Assigned** menu, select **Foreclosure** and click **Setup**.

Step 2. On the **Assigned Foreclosure Setup Search** Screen, enter the loan search criteria and click **Search**.

Figure 7-263: Timeline Steps – Assigned Foreclosure

Step 3. From the search results, select a **loan** to initiate the timeline.

Step 4. On the **Edit Servicing Management** Screen, the **Foreclosure** selection is prepopulated in the Servicing Type dropdown and grayed out. Populate the required fields (marked with an asterisk).

Figure 7-264: Edit Servicing Management – Assigned Foreclosure

Step 5. Click the checkbox beside **Go to Servicing Steps after Submit** (At the bottom of the **Edit Servicing Management** Screen).

Step 6. Click **Submit** (If you click **Cancel**, the Assigned Foreclosure Setup Search Screen will be displayed).

Step 7. The **Foreclosure Steps** screen for Foreclosure timeline is displayed.

Figure 7-265: Timeline Steps - Assigned-Foreclosure

7.4.5 Bankruptcy Timelines

7.4.5.1 Bankruptcy - Chapter 13

This timeline is automatically initiated after the processing of the Banko file to track a Chapter 13 bankruptcy event. When a Chapter 13 bankruptcy is filed, the court appoints a trustee and establishes a payment plan under a reorganization agreement.

Additionally, this timeline can be manually initiated by a HUD NSC Contractor to track the Chapter 13 bankruptcy event. This timeline does not require HUD NSC Staff interaction. Upon initiation of this timeline, the case sub-status is updated to Bankruptcy/Chapter 13. If the timeline is inactivated, the case sub-status is updated accordingly.

Multiple active Bankruptcy–Chapter 13 timelines cannot be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Bankruptcy – Chapter 13** timeline:

Step 1. From the **Assigned** menu select **Bankruptcy** and click **Search.**

Step 2. On the **Assigned Bankruptcy Search** Screen, enter the search criteria including Servicing Type of Bankruptcy – Chapter 13 and click **Submit** to retrieve the timelines that have been auto-initiated by the system.

Figure 7-266: Search – Assigned Bankruptcy

Step 3. Select the loan to view or edit the timeline.

Step 4. The **Bankruptcy Steps** screen for Bankruptcy – Chapter 13 timeline is displayed.

Figure 7-267: Timeline Steps – Assigned Bankruptcy Chapter 13

Step 5. The step **Bankruptcy Filed** completion date is pre-populated with the Bankruptcy filed date received in the BANKO file for the FHA case #. When the timeline is manually initiated, this step will be pre-populated with the date the timeline was created.

Step 6. The step **Bankruptcy Notification Received** completion date is **pre-populated** with the date the file was processed and timeline initiated. When timeline is manually initiated, this step must be manually completed.

Step 7. To generate the **Proof of Claim Form**, click the **magnifying glass** beside the **Proof of Claim Prepared** step to update and print the Proof of Claim Form. A new screen is displayed with the **Proof of Claim Form** with options to Preview and Print Document.

Step 8. Update the sheet and once the changes have been made, select the **Preview Document** link to view the updated document. To auto-save the changes made to the document select the **Print Document** link.

Step 9. Select **Open** on the File Download screen. This action will save the updated Proof of Claim Form to the Documents tab. Refresh the screen to auto-complete the step.

   o Note: If the **Proof of Claim form** does not display, go to the Servicing Management Screen and populate the Bankruptcy District name. This will allow the Proof of Claim form to be viewed.

Step 10. Complete the steps in the timeline when the corresponding activity tied to the step is complete. To complete any step in the timeline, click the step, for example, step **Proof of Claim Filed**.

Step 11. Populate the completion date, add a note in the Notes field if applicable, click **Submit** on the **Edit Step** window.

Step 12. The completion date is populated beside the step **Proof of Claim Filed** on the **Bankruptcy Steps** screen.

Step 13. To add an optional step, click **New.**

Figure 7-268: New Step – Assigned Bankruptcy Chapter 13

Step 14. Select an optional step from the **Step Description** dropdown that needs to be added on the timeline and click **Submit** on the new screen. The step will be added to the list of steps.

Step 15. To complete the step, select the step and populate the completion date, add a note in the Notes field if applicable, click **Submit** on the **Edit Step** window.

Step 16. Repeat the above instructions to add and complete other optional steps.

To manually initiate the timeline:

Step 1. From the Assigned menu select **Bankruptcy** and click **Setup.**

Step 2. On the **Assigned Bankruptcy Setup Search** Screen, enter the loan search criteria and click **Search**.

Figure 7-269: Setup Search – Assigned Bankruptcy Chapter 13

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** screen, select Bankruptcy – Chapter 13 from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk).

Figure 7-270: Edit Servicing Management – Assigned Bankruptcy Chapter 13

Step 5. Click the checkbox beside **Go to Servicing Steps after Submit** (at the bottom of the **Edit Servicing Management** window).

Step 6. Click **Submit** (If you click **Cancel** , the **Assigned Bankruptcy Setup Search** Screen will be displayed).

Step 7. The **Bankruptcy Steps** screen for Bankruptcy – Chapter 13 timeline is displayed.

Figure 7-271: Timeline Steps – Assigned Bankruptcy Chapter 13

7.4.5.2 Bankruptcy - Chapter 7

This timeline is automatically initiated after the processing of the BANKO file to track a Chapter 7 bankruptcy event. A Chapter 7 bankruptcy releases the mortgagor from unsecured liabilities and retains their secured debt.

Additionally, this timeline can also be manually initiated by a HUD NSC Contractor to track the Chapter 7 bankruptcy event. This timeline does not require HUD NSC Staff interaction. When this

timeline is initiated, the case sub-status is updated to Bankruptcy/Chapter 7. If the timeline is inactivated, the case sub-status is updated accordingly.

Multiple active Bankruptcy – Chapter 7 timelines cannot be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete a **Bankruptcy – Chapter 7** timeline:

Step 1. From the **Assigned** menu, select **Bankruptcy**, and click **Search.**

Step 2. On the **Assigned Bankruptcy Search** Screen, enter the search criteria, select Servicing Type as Bankruptcy – Chapter 7 and click **Submit** to retrieve the timelines that have been auto-initiated by the system.

Figure 7-272: Bankruptcy Search – Assigned Bankruptcy Chapter 7

Step 3. Select the loan to view or edit the timeline.

Step 4. The **Bankruptcy Steps** screen for Bankruptcy – Chapter 7 timeline is displayed.

Figure 7-273: Timeline Steps – Assigned Bankruptcy Chapter 7

Step 5. The step **Bankruptcy Filed** completion date is pre-populated with the Bankruptcy filed date received in the BANKO file for the FHA Case #. When timeline is manually initiated, this step will be pre-populated with the date the timeline was created.

Step 6. The step **Bankruptcy Notification Received** completion date is pre-populated with the date the file was processed and timeline initiated. Note: When timeline is manually initiated, this step must be manually completed.

Step 7. To generate the Proof of Claim Form, click the magnifying glass beside the **Proof of Claim Prepared** step to update and print the Proof of Claim Form. A new window is displayed with the Proof of Claim Form with options to preview or print the document.

Step 8. Update the sheet and once the changes have been made, select the **Preview Document** link to view the updated document. To auto-save the changes made to the document select the **Print Document** link. Select Open on the File Download pop-up window. This action will save the updated Proof of Claim Form to the Documents tab. Refresh the screen to auto-complete the step.

o   Note: If the Proof of Claim form does not display, go to the servicing management screen and populate the **Bankruptcy District** name. This will allow the **Proof of Claim form** to be viewed.

Step 9. Complete the steps in the timeline when activity corresponding to the step is complete. To complete any step in the timeline, click the step, for example, step Proof of Claim Filed.

Step 10. Populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

Step 11. The completion date is populated beside the step Proof of Claim Filed on the **Bankruptcy Steps** screen.

Step 12. To add an optional step, click **New.**

Figure 7-274: New Step – Assigned Bankruptcy Chapter 7

Step 13. Select an optional step from the **Step Description** dropdown that needs to be added on the timeline and click **Submit** on the new window. The step will be added to the list of steps.

Step 14. To complete the step, select the step and populate the completion date, add a note in the Notes field if applicable, click **Submit** on the **Edit Step** window.

Step 15. Repeat the above instructions to add and complete other optional steps.

To manually initiate the timeline:

Step 1. From the Assigned menu, select **Bankruptcy** and click **Setup.**

Step 2. On the **Assigned Bankruptcy Setup Search** Screen, enter the loan search criteria and click **Search.**

Figure 7-275: Bankruptcy Search – Assigned Bankruptcy Chapter 7

Step 3. From the search results, click a loan to initiate the timeline.

Step 4. On the **Edit Servicing Management** Screen, select **Bankruptcy – Chapter 7** from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk).

Figure 7-276: Edit Servicing Management for Chapter 7 Bankruptcy

Step 5. Click the checkbox beside **Go to Servicing Steps after Submit** (At the bottom of the **Edit Servicing Management** Window).

Step 6. Click **Submit** (If you click **Cancel**, the Assigned Bankruptcy Setup Search Screen will be displayed).

Step 7. The **Bankruptcy Steps** screen for Bankruptcy – Chapter 7 timeline is displayed.

Figure 7-277: Timeline Steps – Assigned Bankruptcy Chapter 7

7.4.6   Release Timelines

7.4.6.1 Release 1st (Release of HUD's First Mortgage)

This timeline is automatically initiated by the system when the loan status is updated to Terminated. The status is updated to Terminated when the terminate transaction is added on the loan. Refer to the Transactions- Loan- Termination section in General Servicing chapter of this User Guide for details. The scheduled date of the first step is set to 10 business days after the effective date of the payoff transactions.

Multiple active Release 1st timelines cannot be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Release 1st** timeline:

Step 1. From the Assigned menu, select **Release**, and click **Search.**

Step 2. On the Assigned Release Search Screen, enter the search criteria, select Servicing Type as Release 1st and click Submit to retrieve the timelines that have been auto-initiated by the system.

Figure 7-278: Release Search – Assigned Released 1st

Step 3. From the search results, click a loan to view or edit the timeline.

Step 4. The **Release Steps** screen for Release 1st timeline is displayed.

Figure 7-279: Timeline Steps – Assigned Release 1st

Step 5. The **Step Payoff Transaction Processed/Initiate Release** completion date is pre-populated with the timeline created date.

Step 6. Complete the steps in the timeline when the corresponding activity tied to the step is complete. To complete any step in the timeline, click the step, for example, step Release Executed by Contractor.

Step 7. Populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

Step 8. The completion date is populated beside the step **Release Executed by Contractor** on the **Release Steps** screen for Release 1st.

Step 9. The step **Received Missing Mortgage/Deed of Trust (DOT)** is automatically added by the system. To add this step automatically by the system, the following criteria must be satisfied: The optional step **Order Missing Mortgage/DOT** must be added on the timeline.

Step 10. To add the optional step **Order Missing Mortgage/DOT**, click **New**.

Figure 7-280: New Step for Release

Step 11.Select the optional step from the **Step Description** dropdown.

Step 12.To complete the step, populate the complete date, add a note in the Notes field if applicable, and click **Submit** on **Edit Step** window.

7.4.6.2 Release 2nd (Release of HUD's Second Mortgage)

This timeline is automatically initiated by the system when the loan status is updated to Terminated. The status is updated to Terminated when the terminate transaction is added on the loan. Refer to the Transactions- Loan- Termination section in General Servicing chapter of this User Guide for details on how to add the transaction on the loan. The scheduled date of the first step is set to 10 business days after the effective date of the payoff transaction.

The HUD NSC Contractor will follow up and complete the steps within the timeline after system initiation. There is no interaction with the HUD NSC Staff. Multiple active Release 2nd timelines cannot be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Release 2nd** timeline:

Step 1. From the Assigned menu, select **Release**, and click **Search.**

Step 2. On the **Assigned Release Search** Screen, enter the search criteria, select Servicing Type as Release 2nd and click **Search** to retrieve the timelines that have been auto-initiated by the system.

Figure 7-281: Release Search – Assigned Release 2nd

Step 3. From the search results, select a loan to view or edit the timeline.

Step 4. The **Release Steps** screen for Release 2nd timeline is displayed.

Figure 7-282: Assigned – Release 2nd Timeline Steps

Step 5. The step **Payoff Transaction Processed/Initiate Release** completion date is pre-populated with timeline created date.

Step 6. Complete the steps in the timeline when activity corresponding to the step is complete. To complete any step in the timeline, click the step, for example, step **Release Executed by Contractor**.

Step 7. Populate the completion date, add a note in the Notes field if applicable, and click **Submit** on the **Edit Step** window.

Step 8. The completion date is populated beside the step **Release Executed by Contractor** on the **Release Steps** screen for Release 2nd.

Step 9. The step **Received Missing Mortgage/DOT** is automatically added by the system. The following criteria must be satisfied: The optional step **Order Missing Mortgage/DOT** must be added on the timeline (this is an optional step).

Step 10. To add the optional step **Order Missing Mortgage/DOT**, click **New.**

Figure 7-283: New Step – Assigned Release

Step 11. Select the optional step from the Step Description dropdown.

Step 12. To complete the step, populate the complete date, add a note in the **Notes** field if applicable, and click **Submit** on **Edit Step** window.

7.4.7 Claims Timelines

7.4.7.1 Assignment Repurchase

In cases of a discrepancy such as a title issue, non-payment of property charges, non-occupancy or any activity that could have prevented the loan from being assigned to HUD, a HUD NSC Contractor initiates this timeline and notifies the servicer of the title defect or mortgage default. The HUD NSC Staff approval is required. When this timeline is initiated, the case sub-status is updated to Repurchase. When this process is completed, the loan status is updated to Endorsed – Loan Active.

Multiple active Assignment Repurchase timelines cannot be initiated on a loan. The Servicing Management tab can be used to activate or inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited.

To initiate and complete the **Assignment Repurchase** timeline:

7.4.7.1.1 Initiate Timeline – HUD NSC Contractor Activities

The HUD NSC Contractor must perform the following steps to initiate the timeline:

Step 1. From the **Assigned** menu, select **Claims,** and click **Setup.**

Step 2. On the **Assigned Claims Setup Search** Screen, enter the loan search criteria and click **Search.**

Figure 7-284: Claims Search – Assigned Repurchase

Step 3. From the search results, select a loan to initiate the timeline.

Step 4. From the **Edit Servicing Management** Screen, select Assignment Repurchase from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk).

Figure 7-285: Edit Servicing Management – Assigned Repurchase

Step 5. Click the checkbox beside **Go to Servicing Steps after Submit** (At the bottom of the **Edit Servicing Management** Window).

Step 6. Click **Submit** (If you click **Cancel**, the Assigned Claims Setup Search Screen will be displayed).

Step 7. The **Claims Steps** screen for Assignment Repurchase timeline is displayed.

Figure 7-286: Timeline Steps – Assigned Repurchase

Step 8. The step **Recommend Repurchase** to HUD completion date is pre-populated with the initiation date on the timeline.

7.4.7.1.2   Approve Pre-Repurchase - HUD NSC Staff Activity

HUD NSC Staff must perform the following step:

Step 1. The HUD NSC Staff will select the step HUD Approves Pre-Repurchase, populate the complete date, add a note in the Notes field (if applicable), and click **Submit** on the **Edit Step** window. This completes the pre-approval process.

7.4.7.1.3   Perform Repurchase - HUD NSC Contractor Activities

HUD NSC Contractor must perform the following step:

Step 1. To generate the Pre-Repurchase Letter, click the **magnifying glass** beside **Pre-Repurchase Letter Issued to Servicer** step to preview the letter. On the Modify Letter Fields window is displayed. Edit the subject and salutation and select **OK**. The Pre-Repurchase Letter is displayed.

Step 2. The printer icon beside the step allows the HUD contractor to auto-save the document to the **Documents** tab. Select the **printer icon**, the Modify Letter Fields window is displayed. Edit the subject and salutation and select **OK**. The **Pre-Repurchase Letter** is displayed. This action auto-saves the document in the Documents tab and auto-completes the step.

Step 3. If an extension is granted on the pre-repurchase, a HUD NSC Contractor will add the optional step 30 Day Pre-Repurchase Extension Granted. To add the optional step, click **New**. Select the step from the **Step Description** dropdown and click **Submit** on the new window. The step will be added to the list of steps.

Step 4. To complete the step, select the step and populate the completion date, add a note in the Notes field (if applicable), and click **Submit** on the **Edit Step** window.

7.4.7.1.4   Approve Repurchase - HUD NSC Staff Activity

HUD NSC Staff must perform the following step:

Step 1. The HUD NSC Staff will select the step HUD Approves Repurchase, populate the complete date, add a note in the Notes field (if applicable), and click **Submit** on the **Edit Step** window. This completes the approval process.

7.4.7.1.5   Post Repurchase Approval - HUD NSC Contractor Activities

HUD NSC Contractor must perform the following step:

Step 1. To generate the Repurchase Letter, click the magnifying glass beside the **Repurchase Letter Issued to Investor** step to preview the letter; the Modify Letter Fields window is displayed. Edit the subject and salutation and click **OK.** The Repurchase Letter is displayed.

Step 2. The printer icon beside the step allows the HUD contractor to auto-save the document to the **Documents** tab. Select the **printer icon,** the Modify Letter Fields window is displayed. Edit the subject and salutation and click **OK**. The **Repurchase Letter** is displayed. This action auto-saves the document in the **Documents** tab and auto-completes the step.

Step 3. Refer to the **Repurchase Claim Payment Processing** section (7.4.7.2) for details on the payment processing.

Step 4. The following steps are triggered when the step **HUD Verifies Repayment of Claim** is added and completed by the system. This step is added when the confirmation of the collection is received from the Accounting Module.
   o Repurchase Package Sent to Servicer

       o   Assignment to Servicer Sent for Recording

       o   Received Recorded Assignment

Step 5. To complete the step **Repurchase Package Sent to Servicer**, select the step, populate the complete date optionally add the note and click **Submit** on the **Edit Step** window.

Step 6. To complete the step **Assignment to Servicer Sent for Recording**, select the step, populate the complete date optionally add the note and click **Submit** on the **Edit Step** window. A certify pop-up window is displayed confirming the transfer of the servicer. Click **Yes**. This completes the step. The **case status** is updated to **Endorsed** and the case sub-status is updated to **Loan Active**. If the payment status is suspended the sub-status is updated to **Payment Suspended.**

Step 7. When the recording is completed and received, complete the step **Received Recorded Assignment.** To complete this step, select the step, populate the complete date optionally add the note and click **Submit** on **Edit Step** window.

Step 8. To add the optional step **Servicer Clears Repurchase Issue** on the timeline, click **New**. Select the optional step from the **Step Description** dropdown and click **Submit** on the **New Step** screen. The step will be added to the list of steps.

Figure 7-287: New Step – Assignment Repurchase

Step 9. To complete the step, populate the completion date, add a note in the **Notes** field if applicable, and click **Submit** on the **Edit Step** window.

7.4.7.2 Repurchase Claim Payment Processing

This section explains the repurchase collection processing in HERMIT (Servicing and Accounting Modules) system.

Step 1. The Servicer must go to the Authorization tab and enter the Loan Skey or FHA Case # and click on Search.

Step 2. Upon clicking on a HUD Advance from the Search Result, the Servicer is displayed an Authorization screen to **Approve** or **Cancel** the request.
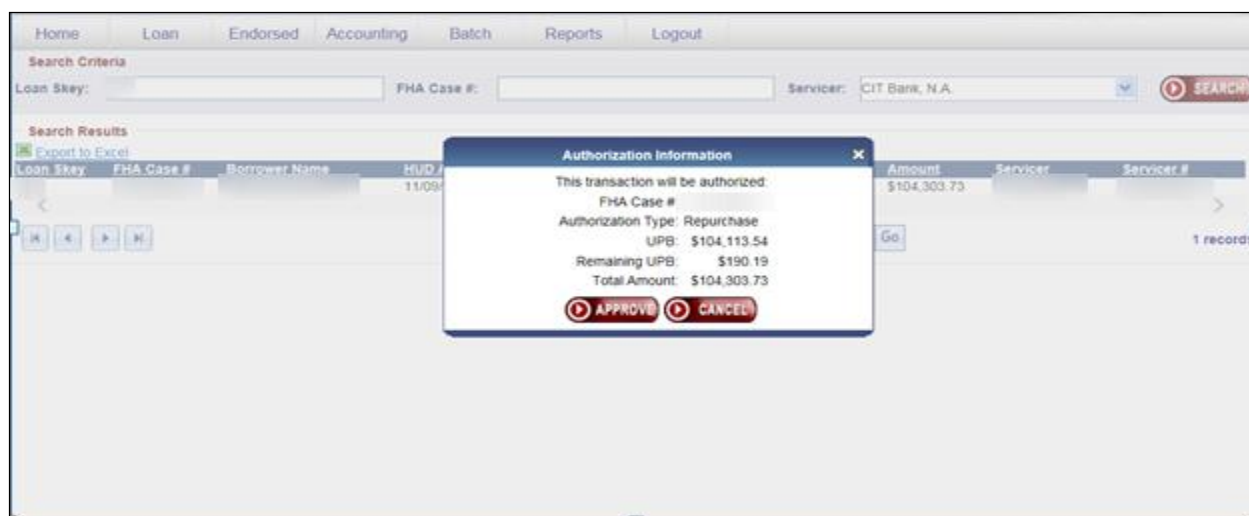
Figure 7-288: Approve / Cancel Repurchase

Step 3. The step **Servicer Authorizes Repayment of Claim** is automatically added by the system and auto-completed when the following criteria are satisfied: The Servicer authorizes / approves the transaction in the step above via the Accounting – Authorizations screen (authorized by lender/investor/servicer).

Step 4. The Accounting Module processes the file and sends a response file to the Servicing Module. The Servicing Module processes the response file from the Accounting Module and updates the batch status (Success – Collect).

Step 5. The Accounting Module generates a non-interactive-batch file per Treasury Pay.gov's specification. The file is sent to Pay.gov for collection. Upon posting the collection by Pay.gov, the deposit is recorded in the Accounting Module.

Step 6. The Accounting Module sends the receivable collection confirmation to the Servicing Module via an interface file. The Servicing Module processes this file and the batch status is updated to Settled. The system adds a new step HUD Verifies Repayment of Claim on the repurchase timeline, the step is auto-completed with the date the file has been processed. An Auto note is added in the Notes Section HUD Verifies This completes the repurchase collections processing in HERMIT.

CHAPTER 8: CLAIMS

8. CLAIMS

This chapter discusses the processing of Claim Types 21, 22, 23, and 24.

- **Claims Overview**
- **Initiating and Submitting Claim Type 21**
- **Initiating and Submitting Claim Type 22**
- **Initiating and Submitting Claim Type 23**
- **Initiating and Submitting Claim Type 24**
- **Reviewing and Processing Claims**
- **No Pay Order**
- **Cancel Payment**
- **Payment processing**

8.1   Claims Overview

The Servicing Module allows servicers to electronically submit and follow up on a claim on behalf of lenders/investors. Additionally, the HUD Claims staff can review and process the claims.

The following claim types can be processed in the system.

- **Foreclosure/Deed-In-Lieu (Claim Type 21):** This claim is initiated by a servicer on behalf of a lender/investor due to acquisition of title of the property through foreclosure proceedings or deed-in-lieu of foreclosure. In these cases servicers can file:
    - o **Sale Based Claim:** If the property was disposed in a manner that was insufficient to satisfy the debt.
    - o **Appraisal Based Claim**: If the property was not disposed within six months after the acquisition of the title and property.
- **Assignment (Claim Type 22):** This claim is initiated by a servicer on behalf of a lender/investor if the principal balance, including accrued interest and monthly insurance premium, reaches the threshold percentage (as established by HUD) of the maximum claim amount, and the servicer asks for approval to exercise the option to assign the loan to HUD.
- **Mortgagor's Short Sale (Claim Type 23):** This claim is initiated by a servicer on behalf of a lender/investor if the mortgagor or the mortgagor's estate sells the property but the sales proceeds are insufficient to satisfy the debt.
- **Supplemental (Claim Type 24):** This claim is initiated by a servicer on behalf of a lender/investor if additional reimbursements are required from HUD on a previously settled claim (Claim Type 21 or 23).

The below sections explain the submission and processing of the above mentioned claim types.

8.1.1   Claim Processing Activities

CT 21, 22, or 23 can be initiated on loans with a case status of Endorsed and CT 24 can be initiated on loans with a case status of Terminated. For all claim types, a servicer must initiate the respective claim timeline on the loan and complete the required steps to submit the claim using the online Form HUD-27011. The system pre-fills Form HUD-27011 with information captured based on loan

activities and timelines (Example: loan transactions, due and payable and loss mitigation activities) which cannot be manually edited by the user.

The claim is submitted to HUD for review when the timeline step to submit Form HUD-27011 is completed. HUD can approve, deny, request additional information, or indicate the claim is still being reviewed. The following activities are performed by servicers and HUD Claims staff.

- Servicer activities:
  - Initiate a claim timeline
  - Review and edit claim data
  - Finalize and submit a claim
  - Resubmit a claim if additional information is required by HUD
- HUD Claims staff activities:
  - Process a claim (approvals, denials, pending additional information)
  - Assign a no pay order if needed
  - Cancel a claim payment if needed

8.1.2 Claims Setup - Search Criteria

The Claims Setup screen allows authorized users to initiate a claims timeline. A timeline is a set of steps that must be completed before a claim can be submitted to HUD for processing. Please refer to Chapter 7 for additional details on timelines.

To access the Claims Setup screen:

Step 1. Move the cursor to the **Endorsed** tab from the top menu.

Step 2. Move the cursor to the **Claims** option and then click **Setup**.
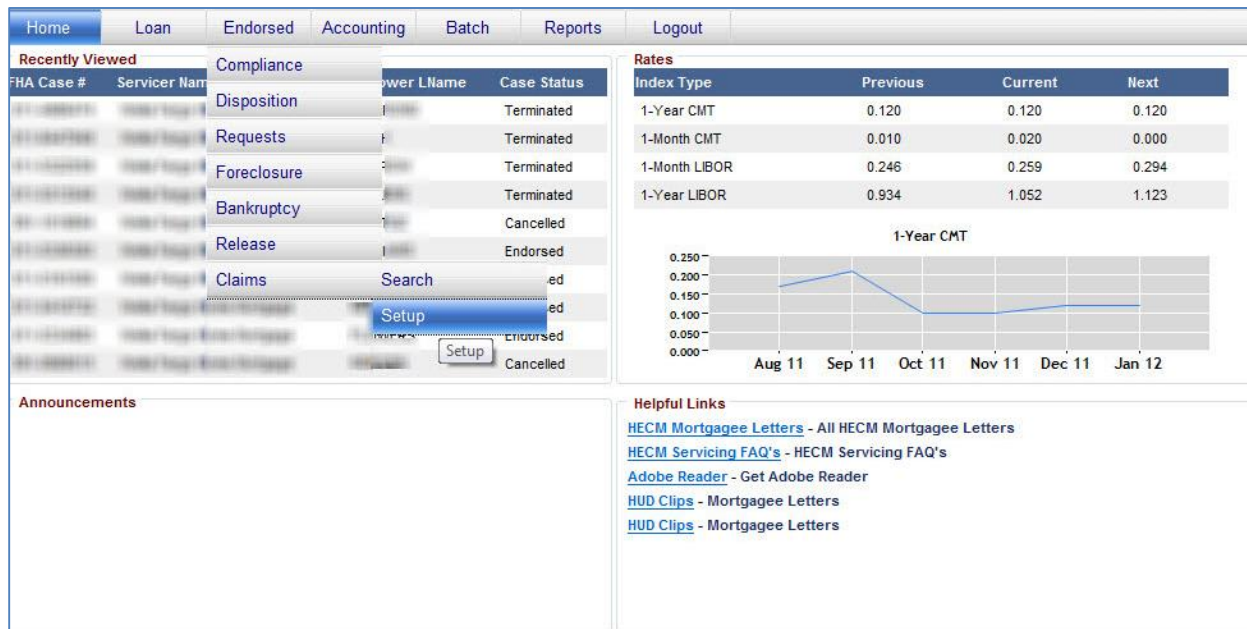
Figure 8-1: Navigate to Claims Setup Screen

The Claims Setup screen provides the following search criteria:

Field	Description
Loan Skey	Servicing Module system identification number unique to each loan.

Field	Description
Lender Loan #	Recorded identification number for each loan property (Enter a partial loan number if the complete address is not known).
FHA Case #	FHA case number of the loan (Enter a partial FHA case number if the complete FHA case # is not known).
Case Status	FHA case status (example: Endorsed).
Borrower LName	Last name of the borrower.
Property Address	Address of the loan property (Enter a partial address if the complete address is not known).
Property State	State where the loan property is located.
Case Sub-Status	Sub status of the case (example: Loan Active).
Lender Name	Lender of the HECM loan.
Servicer Name	Servicer of the HECM loan.
Investor Name	Investor of the HECM loan.
Index Type	Organization and type of interest rate based on the interest rates at which banks borrow unsecured funds from other.
Property County	County where the property is located.

Table 8-1: Claims Setup Screen Search Criteria

Figure 8-2: Claims Setup Screen

8.1.3 Claims - Search

The Claims Search screen allows authorized users to search for the timelines that have been initiated using the Claims Setup screen.

To access the Claims Search screen:

Step 1. Move the cursor to the **Endorsed** tab from the top menu.

Step 2. Move the cursor to the **Claims** option and then click **Search**.

8.1.3.1 Claims Search Screen – Field Definitions

The Claims Search screen provides the following search criteria:

Field	Description
Loan Information Criteria	
Loan Skey	Servicing Module system identification number unique to each loan.
Lender Loan #	Recorded identification number for each loan property (Enter a partial loan number if the complete address is not known).
FHA Case #	FHA case number of the loan (Enter a partial FHA case number if the complete FHA case # is not known).
Case Status	FHA case status (example: Endorsed).
Borrower LName	Last name of the borrower.
Property Address	Address of the loan property (Enter a partial address if the complete address is not known).
Property State	State where the loan property is located.
Case Sub-Status	Sub status of the case (example: Loan Active).
Lender Name	Lender of the HECM loan.
Servicer Name	Servicer of the HECM loan.
Investor Name	Investor of the HECM loan.
Responsible	HUD specialist assigned to manage the specific claim timeline.
Servicing Management Criteria	
Servicing Type	Type of claim servicing activity assigned to a loan in the form of a predefined template of claim servicing steps.
Timeline Status	Indicator of whether the servicing activity on a loan is active or inactive
Claims Status	Status of the claim.
Servicing Status	Next pending step of the active timeline.
Current Step Group	The group that performs the step.
Step	Claim servicing activity step associated with the servicing activity timeline.
Step Status	Indicator of whether the servicing activity step has been completed or is still pending completion.
Scheduled Date	The date that a servicing activity step is scheduled to be completed by the user.
Completion Date	The date that a servicing activity step is actually completed.
Step Group	The group that performs the step.

Table 8-2: Claims Timeline Search Criteria

Figure 8-3: Endorsed Claims Search Screen

8.1.3.2 Claims Search Criteria by Claim Type

The following table provides the claim type and status search criteria:

Workflow Activity	Servicing Type	Claim Status	Servicing Status
Search claims that have been initiated but not submitted	• Claim Type 21 – DIL/FCL • Claim Type 23 - Short Sale/ Mortgagor's Sale (Pre-Fcl) • Claim Type 24 – HECM Supplemental	Claim Filed by Servicer	Servicer Files Claim – 27011
	• Claim Type 22 – Assignment	Claim Filed by Servicer	Assignment to HUD sent for recording/Servicer Files Claim Type 22 – Form 27011
Search claims that need re-submission Note: Applicable only for CT 21, 23 & 24	• Claim Type 21 – DIL/FCL • Claim Type 23 - Short Sale/ Mortgagor's Sale (Pre-Fcl) • Claim Type 24 – HECM Supplemental	Claim Pending Additional Info	Resubmit Claim 27011
Search approved claims Note: The timeline status must be selected as "All". Also, the original servicer will not be able to view	• Claim Type 21 – DIL/FCL • Claim Type 22 – Assignment • Claim Type 23 - Short Sale/ Mortgagor's Sale (Pre-Fcl)	Claim Approved for Payment	N/A

Workflow Activity	Servicing Type	Claim Status	Servicing Status
CT 22 after the claim has been submitted.	• Claim Type 24 – HECM Supplemental		
Search denied claims Note: Applicable only for CT 21, 23 & 24. The timeline status must be selected as "All".	• Claim Type 21 – DIL/FCL • Claim Type 23 - Short Sale/ Mortgagor's Sale (Pre-Fcl) • Claim Type 24 – HECM Supplemental	Claim Denied	N/A
Search claims that have been submitted for payment Note: The timeline status must be selected as "All". Also, the original servicer will not be able to view CT 22 after the claim has been submitted.	• Claim Type 21 – DIL/FCL • Claim Type 22 – Assignment • Claim Type 23 - Short Sale/ Mortgagor's Sale (Pre-Fcl) • Claim Type 24 – HECM Supplemental	Claim Submitted for Payment	N/A
Search paid claims Note: The timeline status must be selected as "All". Also, the original servicer will not be able to view CT 22 after the claim has been submitted.	• Claim Type 21 – DIL/FCL • Claim Type 22 – Assignment • Claim Type 23 - Short Sale/ Mortgagor's Sale (Pre-Fcl) • Claim Type 24 – HECM Supplemental	Claim Paid	N/A

Table 8-3: Search Criteria by Claim Type

8.2   Initiating and Submitting Claim Type 21

This claim is initiated by a servicer on behalf of a lender/investor due to acquisition of title of the property through foreclosure proceedings or deed-in-lieu of foreclosure. In these cases servicers can file:

• **Sale Based Claim**: If the property was disposed in a manner that was insufficient to satisfy the debt.

• **Appraisal Based Claim**: If the property was not disposed within six months after the acquisition of the title and property.

This timeline requires HUD Claims Staff interaction. Upon initiation of this timeline, the case sub-status is updated to CT 21 – DIL/FCL. Only one active Claim Type 21 – DIL/FCL timeline can be associated with a loan.

The Servicing Management tab can be used to inactivate the timeline. If the timeline is inactivated, the case sub-status is updated accordingly. Once the timeline is inactivated, none of the steps can be edited. The timeline cannot be activated once inactivated.

To initiate a **Claim Type 21 – DIL/FCL** timeline:

> Step 1. On the **Endorsed Claims Setup Search** screen, enter the loan search criteria and click **Search**.

Step 2. From the search results, select a loan to initiate the timeline.

Step 3. On the **Edit Servicing Management** Window, select Claim Type 21 – DIL/FCL from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk).

> Servicers must report a Due and Payable event prior to Claim Type 21 initiation. Refer to Endorsed Disposition/Requests timelines to initiate a Due and Payable timeline.

Figure 8-4: Initiating Claim Type 21

Step 4. An error message would be displayed if there is an unpaid HUD Advance on the loan. The User cannot initiate the CT 21 timeline, the Servicer needs to go to the Authorization tab and approve the unpaid HUD Advance. If there is no error, proceed to Step 5.
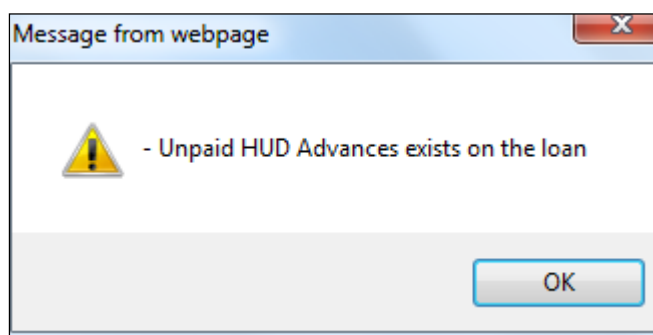
Figure 8-5: Error message when initiating CT 21

Step 5. At the bottom of this window, check the **Go to Servicing Steps after Submit**.

Step 6. Click **Submit**. If you click **Cancel**, the **Endorsed Claims Setup Search** Screen will be displayed. The **Claims Steps** screen for Claim Type 21 – DIL/FCL timeline is displayed.

Figure 8-6: Step Information for Claim Type 21 – DIL/FCL

Step 7. On the **Claims Steps** screen for Claim Type 21 – DIL/FCL timeline, click the **magnifying glass icon** beside Step1 Servicer Files Claim – 27011.

Step 8. The **Claims Worksheet for Claim Type 21** window is displayed. A pop-up message is displayed for MCA Validation indicating that the claim amount will be adjusted if it exceeds Maximum Claim Amount. Click **OK** to proceed.

Figure 8-7: MCA Validation Message for CT 21

Step 9. The **Claims Worksheet for Claim Type 21** window is an electronic version of Claim Form HUD-27011. Data fields are pre-filled by the system from loan transactions and timelines (Due and Payable, Extension – Claim Filing). The following links are available in the window header:
- o **Save Changes:** Save changes made to the claim form
- o **Validate Claim:** Execute the validations on the claim form. Failed validations are displayed with a validation message.
- o **View Claim:** Generate a PDF of the Claim Form HUD-27011
- o **Finalize and Submit Claim:** Enables servicers to submit a claim. Claims with failed validations cannot be submitted.

Step 10. Enter foreclosure and/or deed-in-lieu information in the **Disposition Information** section. You must also mention the basis for the claim: appraisal or sale. This information is used by the system to prefill data fields in **Part A** of the claim form and **Block 108** on **Part B**.

Step 11. Click the **Save Changes** link after populating the relevant fields in the **Disposition Information** section.

Figure 8-8: Claims Worksheet for CT 21

Step 12. Review the data populated on the **Claim Form HUD-27011** by selecting each of the sections listed below and make any required updates.

- o Disposition Information
- o **Part A:** General Information
- o **Part B:** Fiscal Data
- o **Part C:** Support Documents
- o **Part D:** Support Documents
- o **Part E:** Support Documents

> At the time of claim submission, if any of the required timeframes are not met, the system will use the curtailment date (first missed date) to calculate the debenture interest on expenses (Part C, Part D and Item 409 in part E) and outstanding loan balance.

Notes:

- Provide the description of the expenses for description type - **Other**.
- Attach the support documentation (such as HUD-1 form, invoices for the expenses etc.) in the **Documents** tab as part of the claim package.
- Parts C, D, and E will be pre-filled with data only if the transactions are added on the loan. This can be done manually via **Transactions-> Loan** screen, or through B2G transactions file upload.
- **Missing Investor Banking Information**: If the Investor Banking information (Routing#, Tax ID or Account#) is missing, the system will not allow the servicer to submit the claim. A validation error message will be displayed on the Claims Worksheet informing the user that the information is required to submit a claim.

Figure 8-9: Claims Worksheet for CT 21 with Missing Banking Information Validation Error

- **Negative claim amount:** If the total claim amount does not exceed the proceeds received from sale of the property by the lender/investor (Holder of the property), the system will not allow the servicer to submit the claim. A validation error message will be displayed on the Claims Worksheet. Additional links to **View HECM Worksheet** and **Print HECM Worksheet** will be displayed with the calculations details of the negative claim amount.

Step 13. Click **Validate Claim,** after completing the review.

Step 14. The following information is displayed at the top of the screen if any of the validations fail:
  - o Part of the Form HUD-27011 where the error occurred
  - o Field name associated with the error occurred
  - o Description of the error

Figure 8-10: Claims Worksheet for CT 21 with Validation Errors

Step 15. Update the information and click **Save** Changes. Then, click **Validate Claim** to check if for any validations issues.

Step 16. The success validation message is displayed, if there are no validation issues.

Figure 8-11: Claims Worksheet for CT 21 with No Validation Errors

Step 17.Click Finalize and Submit when the claim is ready for submission. After the claim is submitted, the claim form can no longer be updated.

Step 18.A pop-up message is displayed for MCA Validation indicating that the claim amount will be adjusted if the Maximum Claim Amount is exceeded. The pop-up message to verify the investor (Holder of the property) is also displayed. Click Yes.
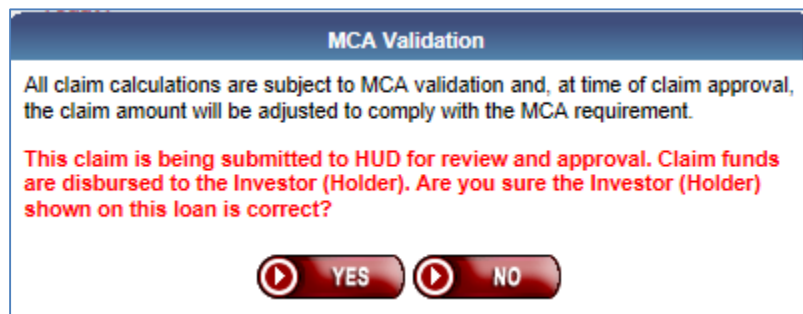
Figure 8-12: MCA and Investor Validation Message for CT 21

Step 19. A pop-up message is displayed requesting the user to Certify the claim form. Click Yes.
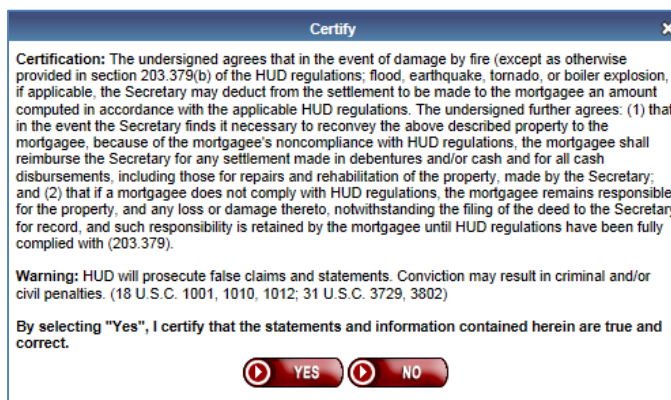
Figure 8-13: Certify Window for CT 21

Step 20. The final Claim Form HUD-27011 is auto-saved in the Documents tab. Only the View Claim link is available on the header; the remaining links to Save Changes, Validate Claim and Finalize and Submit will no longer be displayed.

Step 21. The final claim form is displayed in a file download window with options to Open, Save or Cancel. If the number of line items exceed in the current page of the Claim Form HUD-27011, then the additional line items are displayed on the next page for the corresponding part (for example: If MIP expenses exceed on Part D, then the additional MIP's are displayed in the next page showing the Part D expenses).

Step 22. The completion date on the step Servicer Files Claims – 27011 is pre-filled with the date the claim is submitted.

Step 23. The claim is now ready for HUD review. When the claim is approved by HUD, the Advice of Payment is automatically generated and displayed on the Documents screen. Please note that the claim will not be approved if there is a negative claim. Select the Documents screen from the menu on the left side of the screen and click the View link beside the Claim Type 21 – Final Claim Calculation – AOP. Select Open on the file download window to view the document.

8.3 Initiating and Submitting Claim Type 22

> To initiate a CT 22 timeline, the case status must be Endorsed, case sub-status must be Loan Active and the loan balance must be greater than or equal to the threshold percentage (as established by HUD) of the maximum claim amount.

This claim is initiated by a servicer on behalf of a lender/investor if the principal balance, including accrued interest and monthly insurance premium, reaches the threshold percentage (as established by HUD) of the maximum claim amount and the servicer asks for approval to exercise the option to assign the loan to HUD.

This timeline requires HUD NSC Contractor interaction. Upon initiation of this timeline, the case sub-status is updated to CT 22-Pending Assignment. If the timeline is inactivated, the case sub-status is updated accordingly. Only one active Claim Type 22 – Assignment timeline can be associated with a loan. The Servicing Management tab can be used to inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited. The timeline cannot be activated once inactivated.

Note: (Claim Type 22 cannot be filed on a loan having Corp Advance Transactions and / or Pre D&P Transactions – (Taxes, Flood INS, Condo Fees, Ground Rent, Hazard INS, HOA Dues) at the time of assignment of the loan.)

To initiate a **Claim Type 22-Assignment** timeline:

8.3.1 Submission of CT 22 Assignment Package – Servicer Activities

Step 1. On the **Endorsed Claims Setup Search** screen, enter the loan search criteria and click **Search**.

Step 2. From the search results, select a loan to initiate the timeline.

Step 3. On the **Edit Servicing Management** Window, select Claim Type 22 - Assignment from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk).

Figure 8-14: Initiating CT 22

Step 4. At the bottom of this window, check the **Go to Servicing Steps after Submit**.

Step 5. Click **Submit**. If you click **Cancel**, the **Endorsed Claims Setup Search** Screen will be displayed.

Step 6. The **Claims Steps** screen for Claim Type 22 – Assignment timeline is displayed.

Figure 8-15: Step Information for CT 22 – Assignment

Step 7. To complete a step in the timeline, click the step; for example, step1 **Confirm loan balance is 97.5% or greater than MCA.**

Step 8. On the **Edit Step** window, populate the **Completion Date**, add a note in the Notes field if applicable and click **Submit**.

Step 9. On the Claims Steps screen, the Completion Date is populated beside Step1 **Confirm loan balance is 97.5% or greater than MCA**.

Step 10. Repeat the above instructions until the step - **Verify Property Taxes Current**.

Step 11. Click **New,** if the property requires flood insurance. From the **Step Description** dropdown, select **Verify Flood Insurance current**. The step will be added to the list of steps. Repeat the above instructions to populate the **Completion Date**.

Step 12. The **Completion Date** for Upload Compliance Package is pre-populated with the current system date. To complete this step, you must upload the Compliance Package document. Once the document is attached, click **Submit**.

Figure 8-16: Edit Step Window – Upload Compliance Package Step

Step 13. To view the attached document, click the **PDF icon**. This document is also auto-saved in the **Documents** tab.

Step 14. The completion date is pre-populated for Upload Collateral Package. To complete this step, you must upload the Collateral Package document. Once the document is attached, click **Submit**.

Step 15. To view the attached document, click the **PDF icon**. This document is also auto-saved in the **Documents** tab.

Step 16. The **Completion Date** for Upload Servicing Package is pre-populated with the current system date. To complete this step, you must upload the Servicing Package document. Once the document is attached, click **Submit**.

Step 17. Prior to submission of assignment request to HUD, ensure that the Lender Loan number is populated on the loan. This can be populated on the **Loan Details** screen under **Loan Identifiers** section.

Step 18. Select **Submit Assignment Request to HUD,** populate the **Completion Date** and click **Submit** on the **Edit Step** window. A **Certify** pop-up window is displayed to certify that the documents you attached in the previous steps are true and correct. Click **Yes**. The assignment request is ready for review by HUD NSC Contractor.

Figure 8-17: Certify Window – Submit Assignment Request Step

8.3.2 Review Assignment Package and Preliminary Title Approval – HUD NSC Contractor Activities

Step 1. Click the **magnifying glass icon** beside the step **Assignment Package Received** to generate the Welcome letter. On the **Modify Letter Fields** window, edit the subject and salutation and click **OK**. The Welcome Letter is displayed.

Step 2. The **printer icon** beside the step enables the HUD NSC Contractor to auto-save the document to the **Documents** tab. Select the **printer icon**.

Step 3. On the **Modify Letter Fields** window, edit the subject and salutation and click **OK**. The Welcome Letter is displayed. This action auto-saves the document in the **Documents** tab and auto-completes the step.

Step 4. Upon review of the assignment package, select the step, **Assignment Package Reviewed.** Enter the **Completion Date**, and click **Submit** on the **Edit Step** window.

Step 5. Click the **magnifying glass icon** beside the step **HECM Assignment Acceptance Checklist Completed** to generate the document Checklist. A new window with the checklist is displayed with options to preview or print the document.

Step 6. Update the checklist and click **Preview Document** to review the document.

Step 7. To auto-save the changes made to the assignment checklist document, click the **Print Document** link. Click **Open** on the File Download pop-up window. This action will save the updated HECM Assignment Acceptance Checklist to the **Documents** tab. Refresh the screen to auto-complete the step.

Step 8. Click **New** to add preliminary title approval step. On the **New Step** window, select **HUD Issued Preliminary Title Approval** from the **Step Description** dropdown and click **Submit.** This step is added to the list of steps. The preliminary title approval is granted only if the principal balance reaches the threshold percentage (As established by HUD) of the maximum claim amount.
   o If assignment package is incomplete follow the instructions in section 8.3.6.

Step 9. Click the **magnifying glass icon** beside the step **HUD Issued Preliminary Title Approval** to generate the **Preliminary Title Approved** letter. On the **Modify Letter Fields** window edit the subject and salutation and click **OK**. The Preliminary Title Approved letter is displayed.

Step 10. The **printer icon** beside the step enables the HUD NSC Contractor to auto-save the document to the **Documents** tab. Select the **printer icon**.

Step 11. On the **Modify Letter Fields** window, edit the subject and salutation and click **OK**. The Preliminary Title Approved letter is displayed. This action auto-saves the document in the **Documents** tab.

Step 12. To complete the step, select the step and on the **Edit Step** window, enter the **Completion Date**, add a note in the Notes field if applicable and click **Submit**.

Step 13. A **Certify** pop-up window is displayed to certify that the action will enable the servicer to transfer servicing of the loan. Click **Yes**. The preliminary title approval is complete.
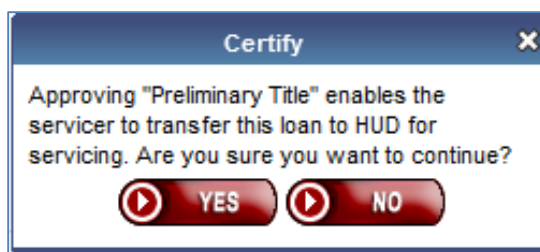
Figure 8-18: Certify Window – Preliminary Title Approval Step

Step 14. The completion of the step **HUD Issued Preliminary Title Approval** triggers the following activities:
- Case sub-status is updated to CT 22-Preliminary Title Approval
- General Loan Servicing menu functions, such as Transactions, Change Of Plan, Payoff, Servicer Request, Property, Notes, Audit Tracking and Alerts, are no longer available to the servicer
- Step **Servicer Notified of Preliminary Title Approval Decision** is automatically added on the timeline and completed by the system with the current system date
- Step **Original Mortgage/Deed of Trust & Note sent to HUD** is added on the timeline but not completed
- Step **Original Mortgage/Deed of Trust & Note received by HUD** is added on the timeline but not completed
- Step **Recorded Assignment Received** is added on the timeline but not completed

8.3.3 Verification of Deed of Trust – Servicer and HUD NSC Contractor Activities

Step 1. The step **Original Mortgage/Deed of Trust & Note sent to HUD** must be completed by Servicer. To complete the step, select the step, enter the Completion **Date**, provide the FedEx tracking number in the step note (if available) and click **Submit.**

Step 2. The step **Original Mortgage/Deed of Trust & Note received by HUD** must be completed by HUD NSC Contractor when the Servicer completed the above step. To complete this step, select the step, enter the Completion Date, and click Submit on the **Edit Step** window.

Step 3. Completion of the above step **Original Mortgage/Deed of Trust & Note received by HUD** triggers the addition of new step **Assignment to HUD sent for recording/Servicer Files Claim Type 22 – Form 27011** on the timeline. This step must be completed by the Servicer.

8.3.4 Submission of Claim – Servicer Activities

Step 1. On the **Claims Steps** screen for Claim Type 22-Assignment timeline, click the magnifying glass icon beside Step Assignment to HUD sent for recording/Servicer Files Claim Type 22 – Form 27011.

Step 2. The **Claims Worksheet for Claim Type 22** window is displayed. A pop-up message is displayed for MCA Validation indicating that the claim amount will be adjusted if it exceeds Maximum Claim Amount. Click OK to proceed.
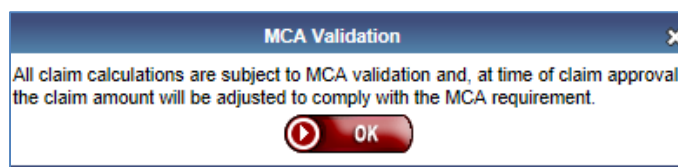
Figure 8-19: MCA Validation Message for CT 22

Step 3. The **Claims Worksheet for Claim Type 22** window is an electronic version of Claim Form HUD-27011. Data fields are pre-filled by the system. The following links are available in the window header:
- o **Save Changes:** Save changes made to the claim for
- o **Validate Claim:** Execute the validations on the claim form. Failed validations are displayed with a validation message.
- o **View Claim:** Generate a PDF of the Claim Form HUD-27011
- o **Finalize and Submit Claim:** Enables servicers to submit a claim. Claims with failed validations cannot be submitted.

Step 4. Review the data populated on the **Claim Form HUD-27011** by selecting each of the sections listed below and make any required updates.
- o **Part A:** General Information
- o **Part B:** Fiscal Data
- o **Part C:** Support Documents (this section is N/A for CT 22)
- o **Part D:** Support Documents (this section is N/A for CT 22)
- o **Part E:** Support Documents (this section is N/A for CT 22)

Step 5. Click **Save Changes** after populating any data (for example: Update Mortgagee Comments field in Part A).

Step 6. Click Validate Claim, after completing the review.

Step 7. The following information is displayed at the top of the screen if any of the validations fail:
- o Part of the Form HUD-27011 where the error occurred
- o Field name associated with the error occurred
- o Description of the error

Figure 8-20: Claims Worksheet for CT 22 with Validation Errors

Step 8. Update the information and click **Save** Changes. Then, click **Validate Claim** to check if for any validations issues.

Missing Investor Banking Information: If the Investor Banking information (Routing#, Tax ID or Account#) is missing, the system will not allow the servicer to submit the claim. A validation error message will be displayed on the Claims Worksheet informing the user that the information is required to submit a claim.

Validation Errors

Errors were encountered while validating the claim

Please review the below errors and correct before continuing.

Part	Block #	Error Message
Part A	Block 35	Banking information for the Investor of this loan is missing/incomplete. The Investor's Routing, Account and Tax ID Numbers are required before a claim can be submitted.

Disposition Information

Part A: General Information

Part B: Fiscal Data

Part C: Support Document

Part D: Support Document

Part E: Support Document

Figure 8-21: Claims Worksheet for CT 22 with Missing Banking Information Validation Error

Step 9. The success validation message is displayed, if there are no validation issues.

Claims Worksheet for Claim Type 22

Validation Successful

No errors were encountered while validating the claim

Part A: General Information

Part B: Fiscal Data

Part C: Support Document

Part D: Support Document

Part E: Support Document

Figure 8-22: Claims Worksheet for CT 22 with No Validation Errors

Step 10. Click Finalize and Submit when the claim is ready for submission. After the claim is submitted, the claim form can no longer be updated.

Step 11. A pop-up message is displayed for MCA Validation indicating that the claim amount will be adjusted if the Maximum Claim Amount is exceeded. The pop-up message to verify the investor (Holder of the property) is also displayed. Click Yes.

MCA Validation

All claim calculations are subject to MCA validation and, at time of claim approval, the claim amount will be adjusted to comply with the MCA requirement.

This claim is being submitted to HUD for review and approval. Claim funds are disbursed to the Investor (Holder). Are you sure the Investor (Holder) shown on this loan is correct?

YES   NO

Figure 8-23: MCA and Investor Validation Message for CT 22

Step 12. A pop-up message is displayed requesting the user to Certify the claim form and confirm the transfer of servicing. Click Yes.
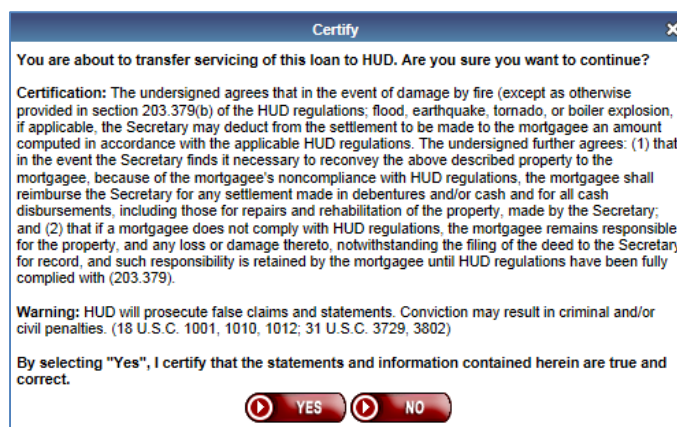
Figure 8-24: Certify Window – CT 22

Step 13. The final Claim Form HUD-27011 is auto-saved in the Documents tab. Only the View Claim link is available on the header; the remaining links to Save Changes, Validate Claim and Finalize and Submit will no longer be displayed.

Step 14. The final claim form is displayed in a file download window with options to Open, Save or Cancel.

Step 15. The completion date on the step Assignment to HUD sent for recording/Servicer Files Claim Type 22 – Form 27011 is pre-filled with the date the claim is submitted.

Step 16. The claim is auto approved. The system automatically adds the step HUD Approves Claim Type 22 for Payment which is auto-completed with the approval date.

Step 17. The Advice of Payment is auto-generated and saved in the Documents tab for review. Select the Documents screen from the menu on the left side of the screen and click the **View** link beside the **Claim Type 22 – Final Claim Calculation – AOP**. Select **Open** on the file download window to view the document.

Step 18. Once the servicer logs out after submitting a CT 22, the servicer can no longer access the loan. The loan is now transferred to HUD for servicing. The servicer name on the loan is updated to the HUD NSC Contractor name. Save the documents prior to exiting the loan.

8.3.5 Record Assignment and Final Title Approval – HUD NSC Contractor Activities

Step 1. Upon receipt and verification of documents associated with recording the assignment to HUD. To complete the step **Recorded Assignment Received**, select the step, enter the **Completion Date**, and click **Submit** on the **Edit Step** window. This triggers the addition of a new step, **HUD Issued Final Title Approval**.

Step 2. Click the **magnifying glass icon** beside the step **HUD Issued Final Title Approval** to generate the Final Title Approval letter. On the Modify Letter Fields window edit the salutation and click **OK.** The Final Title Approval letter is displayed.

Step 3. The **printer icon** beside the step enables the HUD NSC Contractor to auto-save the document to the **Documents** tab. Select the **printer icon.**

Step 4. On the Modify Letter Fields window, edit the salutation and click OK. The Final Title Approval letter is displayed. This action auto-save the document in the Documents tab.

Step 5. To complete the step, select the step and on the **Edit Step** window, enter the **Completion Date**, add a note in the Notes field if applicable and click **Submit**.

Step 6. A **Certify** pop-up window is displayed to certify that the case status will be updated. Click **Yes**. The final title approval is complete.
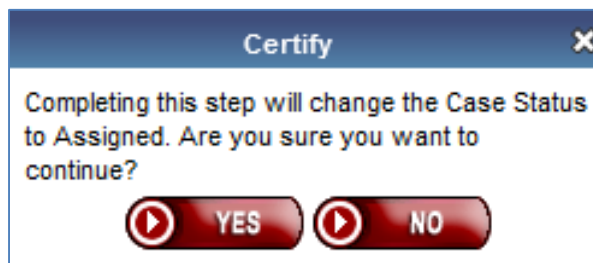
Figure 8-25: Certify Window – Final Title Approval Step

Step 7. This completes the assignment process. The case status is updated to Assigned and the case sub-status is updated to Loan Active.

8.3.6 Incomplete Assignment Package – HUD NSC Contractor and Servicer Activities

Step 1. If the assignment package is incomplete, the HUD NSC Contractor will click **New** and add the step, **HUD Decision - Pending Incomplete Package**.

Step 2. Click the **magnifying glass icon** beside the step **HUD Decision - Pending Incomplete Package** to generate the Incomplete Package - Request for Assignment letter. On the **Modify Letter Fields** window edit the salutation and click **OK.** The Pending Incomplete Package letter is displayed.

Step 3. The **printer icon** beside the step enables the HUD NSC Contractor to auto-save the document to the **Documents** tab. Select the printer icon.

Step 4. On the **Modify Letter Fields** window, edit the salutation and click OK. The **Pending Incomplete Package letter** is displayed. This action auto-save the document in the **Documents** tab and auto completes the step.

Step 5. To complete the step, select the step and on the **Edit Step** window, enter the **Completion Date**, add a note in the Notes field if applicable and click **Submit.**

Step 6. The system will auto-trigger the step **Follow-up on Incomplete Package** as a reminder for the HUD contractor to follow up when the step **HUD Decision - Pending Incomplete Package** is added on the timeline.

Step 7. When the servicer has provided the additional required documentation to HUD, the Servicer will click **New** and add the step **Additional Documentation Sent to HUD** with the **Completion Date.** Servicer must select the Documents screen from the menu on the left side of the screen and use the Upload function on the Documents screen to upload the additional required documents.

Step 8. HUD NSC Contractor will review the additional documents and if complete will follow the steps mentioned in the **Review Assignment Package and Preliminary Approval** section above.

8.3.7 Assignment Denials – HUD NSC Contractor and Servicer Activities

8.3.7.1 Servicer Activities

Servicers can request the assignment be denied between Preliminary Title Approval and Claim Submission.

To request the assignment to be denied:

Step 1. Click **New** and add the step **Servicer - Assignment Denied - Funds Due HUD** using the **Step Description** dropdown. Enter the **Completion Date**, add a note in the Notes field if applicable and click **Submit**.

8.3.7.2 HUD NSC Contractor Activities

HUD contractors can deny the assignment process between Preliminary Title Approval and Final Title Approval.

To deny assignment:

Step 1. Click **New** and add the relevant step using the **Step Description** dropdown and click **Submit**. The optional steps are:
- Assignment Denied - Funds Due HUD

  Note: In addition to Step 1, the HUD NSC Contractor should add the "Assignment Denied- Funds Due HUD" step on the "Request for HUD Advance - Assignment timeline" in order for the account receivable to be created and the repayment of the funds due to HUD recorded.

- Assignment Denied - No Funds Due HUD

  Note: The Assignment Request Denied Letter is available with the above optional steps. Select the magnifying glass icon beside the step to generate the letter. The timeline has to be inactivated on the Servicing Mgmt. tab.

Step 2. For the scenario where funds are due HUD, once the funds are received, optional step- **Funds Due HUD Received** can be added on the timeline.

Step 3. For the scenario where No funds are due HUD add a **New** Step "Assignment Denied- No Funds Due HUD" on the timeline. While on the New Step window:

Step 1. Enter the denial reason(s) into the step note.

Step 2. Enter the complete date.

Step 3. Click Submit.

Step 4. Go to magnifying glass on the "Assignment Denied - No Funds Due HUD" step and view the denial letter. If needed you can correct the denial reason(s) by editing the step and updating the step note. View letter again to confirm the **denial reason(s)**

Step 5. Go to printer icon on the "Assignment Denied - No Funds Due HUD" step and view the letter. Now confirm the letter is auto imaged.

Step 6. When done, the CT22 timeline can be inactivated by going into the Servicing Mgmt. tab. Click the **Edit** button, and then choose inactivate, and then click **Submit.**

8.3.8 Follow Up – HUD NSC Contractor and Servicer Activities.

8.3.8.1 Servicer Activities

Servicers can add optional follow-up steps for certain actions within the timeline.

To add an optional step:

Step 1. Click **New** and add the step Servicer – Follow Up using the Step Description dropdown.

8.3.8.2 HUD NSC Contractor Activities

HUD contractors can add an optional follow-up step to send a HECM Recorded Assignment to HUD Not Received letter.

To add an optional step:

Step 1. Click **New** and add the step **HUD – Follow Up** using the **Step Description** dropdown.

Step 2. Click the **magnifying glass icon** beside the step **HUD - Follow Up** to generate the HECM Recorded Assignment to HUD Not Received letter. On the **Modify Letter Fields** window edit the subject and salutation and click **OK**. The HECM Recorded Assignment to HUD Not Received letter is displayed.

Step 3. The **printer icon** beside the step enables the HUD NSC Contractor to auto-save the document to the **Documents** tab. Select the **printer icon**.

Step 4. On the **Modify Letter Fields** window, edit the subject and salutation and click **OK**. The HECM Recorded Assignment to HUD Not Received letter is displayed. This action auto-save the document in the **Documents** tab and auto completes the step.

8.4 Initiating and Submitting Claim Type 23

This claim is initiated by a servicer on behalf of a lender/investor if the mortgagor or the mortgagor's estate sells the property and the mortgagee releases the title to facilitate the sale, but the sales proceeds are not sufficient to satisfy the debt.

This timeline requires HUD Claims Staff interaction. Upon initiation of this timeline, the case sub-status is updated to CT 23 – Short Sale. If the timeline is inactivated, the case sub-status is updated accordingly. Only one active Claim Type 23 - Short Sale/ Mortgagor's Sale (Pre-Fcl) timeline can be associated with a loan.

The Servicing Management tab can be used to inactivate the timeline. If the timeline is inactivated, the case sub-status is updated accordingly. Once the timeline is inactivated, none of the steps can be edited. The timeline cannot be activated once inactivated.

To initiate a **Claim Type 23 - Short Sale/ Mortgagor's Sale (Pre-Fcl)** timeline:

Step 1. On the **Endorsed Claims Setup Search** screen, enter the loan search criteria and click **Search**.

Step 2. From the search results, select a loan to initiate the timeline.

Step 3. On the **Edit Servicing Management** Window, select Claim Type 23 - Short Sale/ Mortgagor's Sale (Pre-Fcl) from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk).

> Servicers must report a Due and Payable event prior to Claim Type 23 initiation if the loan is Due and Payable. Refer to Endorsed Disposition/Requests timelines to initiate a Due and Payable timeline.

Figure 8-26: Initiating CT 23

Step 4. An error message would be displayed if there is an unpaid HUD Advance on the loan. The User cannot initiate the CT 23 timeline, the Servicer needs to go to the Authorization tab and approve the unpaid HUD Advance. If there is no error, proceed to Step 5.
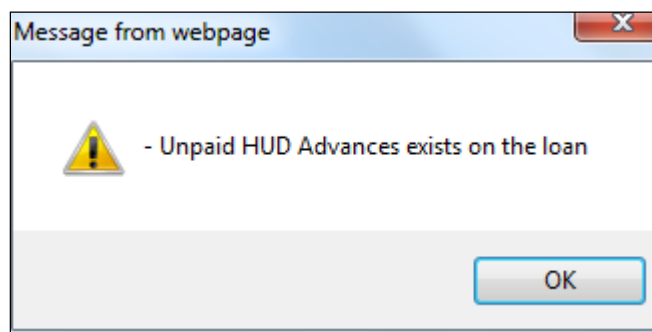

Figure 8-27: Error message when initiating CT 23

Step 5. At the bottom of this window, check the **Go to Servicing Steps after Submit**.

Step 6. Click **Submit**. If you click **Cancel**, the **Endorsed Claims Setup Search** Screen will be displayed. The **Claims Steps** screen for Claim Type 23 - Short Sale/ Mortgagor's Sale (Pre-Fcl) timeline is displayed.

Figure 8-28: Step Information for CT 23 – DIL/FCL

Step 7. On the **Claims Steps** screen for Claim Type 23 - Short Sale/ Mortgagor's Sale (Pre-Fcl) timeline, click the **magnifying glass icon** beside Step1 Servicer Files Claim – 27011.

Step 8. The **Claims Worksheet for Claim Type 23** window is displayed. A pop-up message is displayed for **MCA** Validation indicating that the claim amount will be adjusted if it exceeds MCA. Click **OK** to proceed.
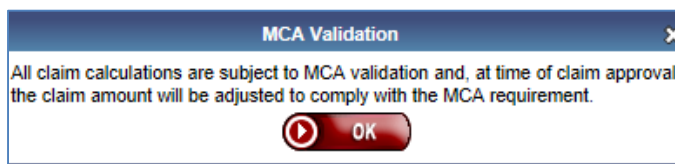

Figure 8-29: MCA Validation Message for CT 23

Step 9. The **Claims Worksheet for Claim Type 23** window is an electronic version of Claim Form HUD-27011. Data fields are pre-filled by the system from loan transactions and timelines (Due and Payable). Note: The transactions will be added on the claim form only if due and payable timeline has been initiated on the loan with exception to HUD-1 closing costs. The following links are available in the window header:
   o **Save Changes:** Save changes made to the claim form
   o **Validate Claim:** Execute the validations on the claim form. Failed validations are displayed with a validation message.
   o **View Claim:** Generate a PDF of the Claim Form HUD-27011
   o **Finalize and Submit Claim:** Enables servicers to submit a claim. Claims with failed validations cannot be submitted.

Step 10. Enter short sale information in the **Disposition Information**. This information is used by the system to prefill data fields in **Part A** of the claim form and **Block 108** on **Part B**.

Step 11. Click the **Save Changes** link after populating the relevant fields in the **Disposition Information** section.

Figure 8-30: Claims Worksheet for CT 23

Step 12. Review the data populated on the **Claim Form HUD-27011** by selecting each of the sections listed below and make any required updates.

- o Disposition Information
- o **Part A:** General Information
- o **Part B:** Fiscal Data
- o **Part C:** Support Documents
- o **Part D:** Support Documents
- o **Part E:** Support Documents

Notes:

- Provide the description of the expenses for description type - **Other**.
- Attach the support documentation (such as HUD-1 form, invoices for the expenses etc.) in the **Documents** tab as part of the claim package.

> At the time of claim submission, if any of the required timeframes are not met, the system will use the curtailment date (first missed date) to calculate the debenture interest on expenses (Part C, Part D and Item 409 in part E) and outstanding loan balance.

- Parts C, D, and E will be pre-filled with data only if the transactions are added on the loan. This can be done manually via **Transactions-> Loan** screen, or through B2G transactions file upload.
- **Missing Investor Banking Information**: If the Investor Banking information (Routing#, Tax ID or Account#) is missing, the system will not allow the servicer to submit the claim. A validation error message will be displayed on the Claims Worksheet.

Figure 8-31: Claims Worksheet for CT 23 with Missing Banking Information Validation Error

- **Negative claim amount:** If the total claim amount does not exceed the proceeds received from sale of the property by the lender/investor (Holder of the property), the system will not allow the servicer to submit the claim. A validation error message will be displayed on the Claims Worksheet. Additional links to **View HECM Worksheet** and **Print HECM Worksheet** will be displayed with the calculations details of the negative claim amount.

  Step 13. Click **Validate Claim,** after completing the review.

  Step 14. The following information is displayed at the top of the screen if any of the validations fail:
  - Part of the Form HUD-27011 where the error occurred
  - Field name associated with the error occurred
  - Description of the error

Figure 8-32: Claims Worksheet for CT 23 with Validation Errors

  Step 15. Update the information and click **Save** Changes. Then, click **Validate Claim** to check if for any validations issues.
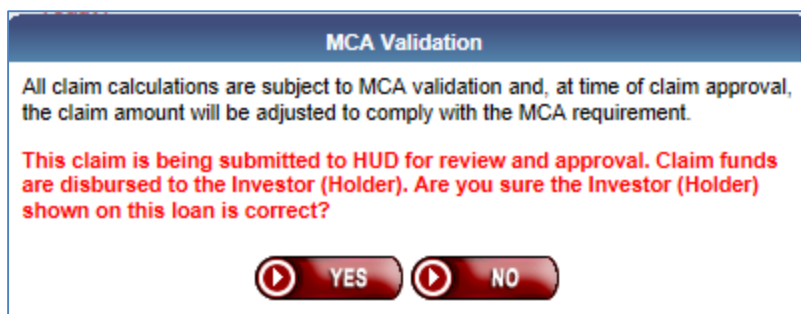
  Step 16. Success validation message is displayed, if there are no validation issues.

Figure 8-33: Claims Worksheet for CT 23 with No Validation Errors

Step 17. Click **Finalize and Submit** when the claim is ready for submission. After the claim is submitted, the claim form can no longer be updated.

Step 18. A pop-up message is displayed for **MCA** Validation indicating that the claim amount will be adjusted if the Maximum Claim Amount is exceeded. The pop-up message to verify the investor (Holder of the property) is also displayed. Click **Yes**.
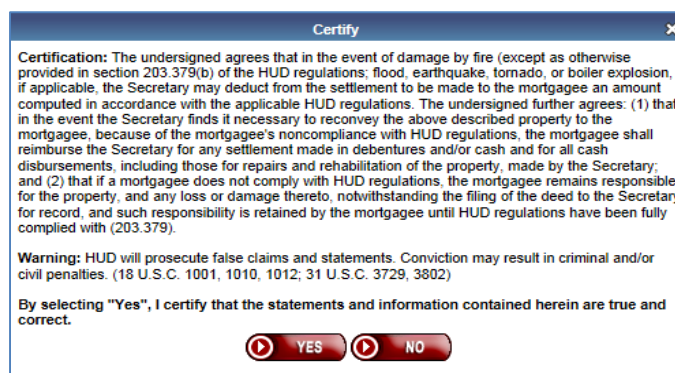

Figure 8-34: MCA and Investor Validation Message for CT 23

Step 19. A pop-up message is displayed requesting the user to **Certify** the claim form. Click **Yes**.

Figure 8-35: Certify Window – CT 23

Step 20. The final Claim Form HUD-27011 is auto-saved in the Documents tab. Only the **View Claim** link is available on the header; the remaining links to **Save Changes, Validate Claim** and **Finalize and Submit** will no longer be displayed.

Step 21. The final claim form is displayed in a file download window with options to Open, Save or Cancel. If the number of line items exceed in the current page of the Claim

Form HUD-27011, then the additional line items are displayed on the next page for the corresponding part (for example: If MIP expenses exceed on Part D, then the additional MIP's are displayed in the next page showing the Part D expenses).

Step 22. The completion date on the step **Servicer Files Claims – 27011** is pre-filled with the date the claim is submitted.

Step 23. The claim is now ready for HUD review. When the claim is approved by HUD, the Advice of Payment is automatically generated and displayed on the Documents screen. Please note that the claim will not be approved if there is a negative claim. Select the Documents screen from the menu on the left side of the screen and click the **View** link beside the **Claim Type 23 – Final Claim Calculation – AOP**. Select **Open** on the file download window to view the document.

8.5   Initiating and Submitting Claim Type 24

This claim is initiated by a servicer on behalf of a lender/investor if additional reimbursements are required from HUD on a previously settled claim (case sub- status Terminate – CT 21 or Terminate – CT 23).   This timeline requires HUD Claims Staff interaction.

> CT 24 can be submitted only if prior claims CT 21 or CT 23 are submitted in the Servicing Module. The initial claim (CT 21 or CT 23) must be in paid status.

Only one active Claim Type 24 – HECM Supplemental timeline can be associated with a loan. The Servicing Management tab can be used to inactivate the timeline. Once the timeline is inactivated, none of the steps can be edited. The timeline cannot be activated once inactivated.

To initiate a **Claim Type 24 – HECM Supplemental** timeline:

Step 1. On the **Endorsed Claims Setup Search** screen, enter the loan search criteria and click **Search**.

Step 2. From the search results, select a loan to initiate the timeline.

Step 3. On the **Edit Servicing Management** Window, select Claim Type 24 – HECM Supplemental from the **Servicing Type** dropdown and populate the required fields (marked with an asterisk).

Figure 8-36: Initiating Claim Type 24

Step 4. At the bottom of this window, check the **Go to Servicing Steps after Submit**.

Step 5. Click **Submit**. If you click **Cancel**, the **Endorsed Claims Setup Search** Screen will be displayed. The **Claims Steps** screen for Claim Type 24 – HECM Supplemental timeline is displayed.

Figure 8-37: Step Information for Claim Type 24 – HECM Supplemental

Step 6. On the **Claims Steps** screen for Claim Type 24 – HECM Supplemental timeline, click the **magnifying glass icon** beside Step1 Servicer Files Claim – 27011.

Step 7. The **Claims Worksheet for Claim Type 24** window is displayed. A pop-up message is displayed for **MCA** Validation indicating that the claim amount will be adjusted if it exceeds Maximum Claim Amount. Click **OK** to proceed.

Figure 8-38: MCA Validation Message for CT 24

Step 8. The **Claims Worksheet for Claim Type 24** window is an electronic version of Claim Form HUD-27011. Data fields are pre-filled by the system from the initial claim. Note: Only the new transactions or transactions that have been adjusted post initial claim payment will be pre-filled on the claim form. The following links are available in the window header:

- o **Save Changes:** Save changes made to the claim form
- o **Validate Claim:** Execute the validations on the claim form. Failed validations are displayed with a validation message
- o **View Claim:** Generate a PDF of the Claim Form HUD-27011
- o **Finalize and Submit Claim:** Enables servicers to submit a claim. Claims with failed validations cannot be submitted

Step 9. Update the data fields on claim worksheet as needed. Click the **Save Changes.**

Step 10. Review the data populated on the **Claim Form HUD-27011** by selecting each of the sections listed below and make any required updates.

- o **Part A:** General Information
- o **Part B:** Fiscal Data
- o **Part C:** Support Documents
- o **Part D:** Support Documents
- o **Part E:** Support Documents

Notes:

- Provide the description of the expenses for description type - **Other**.
- Attach the support documentation (such as HUD-1 form, invoices for the expenses etc.) in the **Documents** tab as part of the claim package.
- Parts C, D, and E will be pre-filled with data only if the transactions are added on the loan. This can be done manually via **Transactions-> Loan** screen, or through B2G transactions file upload.
- **Missing Banking Information**: If the Investor Banking information (Routing#, Tax ID or Account#) is missing, the system will not allow the servicer to submit the claim. A validation error message will be displayed on the Claims Worksheet.

Figure 8-39: Claims Worksheet for CT 24 with Missing Investor Banking Information Validation Error

- **Negative Claim Amount**: If the total claim amount does not exceed the proceeds received from sale of the property by the lender/investor (Holder of the property), the system will not allow

the servicer to submit the claim. A validation error message will be displayed on the Claims Worksheet.

Step 11. Click **Validate Claim,** after completing the review.

Step 12. The following information is displayed at the top of the screen if any of the validations fail:
- o Part of the Form HUD-27011 where the error occurred
- o Field name associated with the error occurred
- o Description of the error

Claims Worksheet for Claim Type 24

Validation Errors		
Errors were encountered while validating the claim		
Please review the below errors and correct before continuing.		

Part	Block #	Error Message
Part A	Block 9	Date of possession and acquisition of marketable title must be equal to Block 11b.

Part A: General Information

Part B: Fiscal Data

Part C: Support Document

Part D: Support Document

Part E: Support Document

Figure 8-40: Claims Worksheet for CT 24 with Validation Errors

Step 13. Update the information and click **Save** Changes. Then, click **Validate Claim** to check if for any validations issues.

Step 14. Success validation message is displayed, if there are no validation issues.

Claims Worksheet for Claim Type 24

Validation Successful
No errors were encountered while validating the claim

Part A: General Information

Part B: Fiscal Data

Part C: Support Document

Part D: Support Document

Part E: Support Document

Figure 8-41: Claims Worksheet for CT 24 with no Validation Errors

Step 15. Click **Finalize and Submit** when the claim is ready for submission. After the claim is submitted, the claim form can no longer be updated.

Step 16. A pop-up message is displayed for **MCA** Validation indicating that the claim amount will be adjusted if the Maximum Claim Amount is exceeded. The pop-up message to verify the investor (Holder of the property) is also displayed. Click **Yes**.
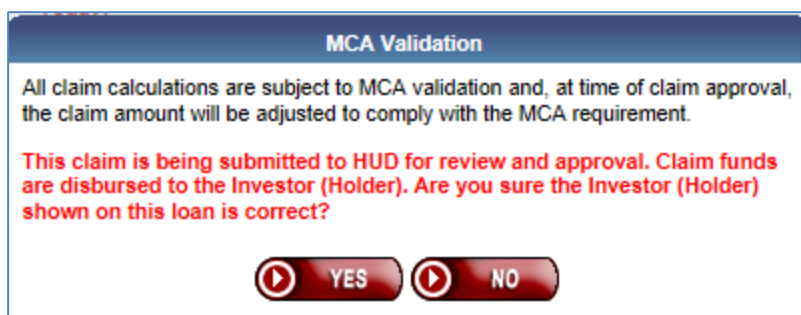
Figure 8-42: MCA and Investor Validation Message for CT 24

Step 17. A pop-up message is displayed requesting the user to **Certify** the claim form. Click **Yes**.
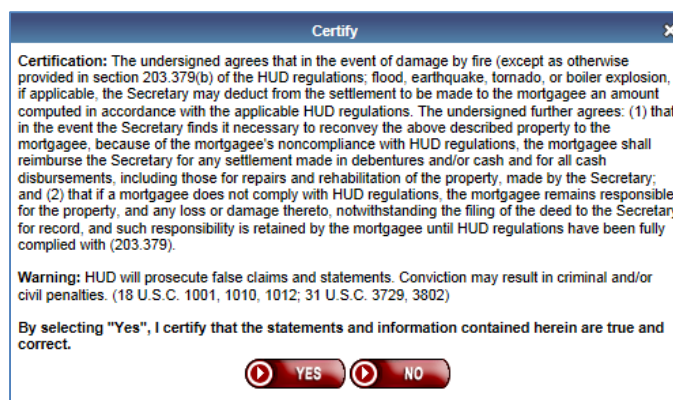

Figure 8-43: Certify Window – CT 24

Step 18. The final Claim Form HUD-27011 is auto-saved in the Documents tab. Only the **View Claim** link is available on the header; the remaining links to **Save Changes, Validate Claim** and **Finalize and Submit** will no longer be displayed.

Step 19. The final claim form is displayed in a file download window with options to Open, Save or Cancel. If the number of line items exceed in the current page of the Claim Form HUD-27011, then the additional line items are displayed on the next page for the corresponding part (for example: If MIP expenses exceed on Part D, then the additional MIP's are displayed in the next page showing the Part D expenses).

Step 20. The completion date on the step **Servicer Files Claims – 27011** is pre-filled with the date the claim is submitted.

Step 21. The claim is now ready for HUD review. When the claim is approved by HUD, the Advice of Payment is automatically generated and displayed on the Documents screen. Please note that the Claim will not be approved if it is a negative claim amount. Select the Documents screen from the menu on the left side of the screen and click the **View** link beside the **Claim Type 24 – Final Claim Calculation – AOP**. Select **Open** on the file download window to view the document.

8.6   Reviewing and Processing Claims

Once a claim is submitted, HUD Claims staff can use the Endorsed Claims Search screen to search for submitted claims.

The following table provides the claim type and status search criteria:

Workflow Activity	Servicing Type	Claim Status	Servicing Status
Search claims that have been submitted and require review by HUD Note: Applicable only for CT 21, 23 & 24	• Claim Type 21 – DIL/FCL • Claim Type 23 - Short Sale/ Mortgagor's Sale (Pre-Fcl) • Claim Type 24 – HECM Supplemental	Claim Filed by Servicer	Ready for Review
Search claims that have been re-submitted and require re-review by HUD Note: Applicable only for CT 21, 23 & 24	• Claim Type 21 – DIL/FCL • Claim Type 23 - Short Sale/ Mortgagor's Sale (Pre-Fcl) • Claim Type 24 – HECM Supplemental	Claim Pending Additional Info	Re Review
Search approved claims Note: The timeline status must be selected as "All".	• Claim Type 21 – DIL/FCL • Claim Type 22 – Assignment • Claim Type 23 - Short Sale/ Mortgagor's Sale (Pre-Fcl) • Claim Type 24 – HECM Supplemental	Claim Approved for Payment	N/A
Search for claims that have been approved but cancelled prior to payment submission to the Accounting Module	• Claim Type 21 – DIL/FCL • Claim Type 23 - Short Sale/ Mortgagor's Sale (Pre-Fcl) • Claim Type 24 – HECM Supplemental	Claim Approved for Payment	Re Review
Search denied claims Note: The timeline status must be selected as "All".	• Claim Type 21 – DIL/FCL • Claim Type 23 - Short Sale/ Mortgagor's Sale (Pre-Fcl) • Claim Type 24 – HECM Supplemental	Claim Denied	N/A
Search for claims that have been submitted for payment Note: The timeline status must be selected as "All".	• Claim Type 21 – DIL/FCL • Claim Type 22 – Assignment • Claim Type 23 - Short Sale/ Mortgagor's Sale (Pre-Fcl) • Claim Type 24 – HECM Supplemental	Claim Submitted for Payment	N/A
Search for claims that have been paid Note: The timeline status must be selected as "All".	• Claim Type 21 – DIL/FCL • Claim Type 22 – Assignment • Claim Type 23 - Short Sale/ Mortgagor's Sale (Pre-Fcl) • Claim Type 24 – HECM Supplemental	Claim Paid	N/A

Table 8-4: Search Criteria by Claim Type

8.6.1 Approving a Claim

To approve a claim:

Step 1. On the **Endorsed Claims Search** Screen, enter the search criteria to review the submitted claims and click **Search.**

> Claim Type 22 is auto-approved upon submission.

Step 2. From the search results, select a claim to review.

Step 3. On the **Claims Steps** screen for the claim type timeline, select the **magnifying glass icon** beside Step 2 **Ready for Review**.

	#	Step Description	Scheduled Date	Complete Date	Step Group	Step Note	Status	Create Date
	1	Servicer Files Claim - 27011	02/01/2012	01/16/2012	Servicer		Active	01/16/2012 02:32:1
🔍	2	Ready for Review	02/01/2012		HUD		Active	01/16/2012 02:32:1

2 Step(s)

Figure 8-44: Step Information for a Claim Type

Step 4. A new window with the **Claims Worksheet** for Claim Type is displayed.

Figure 8-45: Sample Claims Worksheet

Step 5. The Claims Worksheet for **Claim Type** window is an electronic version of Claim Form HUD-27011 that was submitted by a servicer. The following links are available on the window header:
   o **Save Changes:** Save the changes made to the HUD Actions section
   o **Validate Claim:** Executes the validations on the claim form. Failed validations are displayed with validation message.
   o **View Claim:** Generates a PDF of the Claim Form HUD-27011

Step 6. Review the claim by each section. Note: Refer to **Documents** tab for claims package attached by the servicers during claims submission.

- HUD Actions
- Disposition Information (only for CT 21 and CT 23)
- **Part A:** General Information
- **Part B:** Fiscal Data
- **Part C:** Support Documents
- **Part D:** Support Documents
- **Part E:** Support Documents

Step 7. After completing the review, click **Approve**. You can optionally add **Decision Notes**.

Step 8. Click **Save Changes** to save the **HUD Actions** section. The Claim Form HUD-27011 is auto-saved in the **Documents** tab.

Step 9. The claim form is displayed via a file download window with options to **Open, Save** or **Cancel**.

Step 10. Close the **Claims Worksheet** after viewing the claim form.

Step 11. The Completion Date on the step, **Ready for Review**, is pre-filled with the approved date. The claim is now approved for payment.

Figure 8-46: Sample Claim Approval Step

Step 12. A new step, Approved for Payment, is automatically added with Completion Date pre-filled with the approved date.

Step 13. When the claim is approved by HUD, the Advice of Payment is automatically generated and displayed on the Documents screen. Select the Documents screen from the menu on the left side of the screen and click the View link beside the Claim Type XX – Final Claim Calculation – AOP. Select Open on the file download window to view the document.

Step 14. When the claim is approved for payment, a transaction code is captured on the Transactions - Claim screen. This transaction code is sent to the Accounting Module for further payment processing.

8.6.2   Denying a Claim

To deny a claim:

Step 1. On the **Endorsed Claims Search** Screen, enter the search criteria to review the submitted claims and click **Search.**

> Claim Type 22 is auto-approved upon submission and cannot be denied.

Step 2. From the search results, select a claim to review.

Step 3. On the **Claims Steps** screen for the claim type timeline, select the **magnifying glass icon** beside Step 2 **Ready for Review.**

Figure 8-47: Step Information for a Claim Type

Step 4. A new window with the **Claims Worksheet** for Claim Type is displayed.

Step 5. The Claims Worksheet for Claim Type window is an electronic version of Claim Form HUD-27011 that was submitted by a servicer. The following links are available on the window header:
- o Save Changes: Save the changes made to the HUD Actions section
- o Validate Claim: Executes the validations on the claim form. Failed validations are displayed with validation message.
- o View Claim: Generates a PDF of the HUD Claim Form-27011

Step 6. Review the claim by each section. Note: Refer to Documents tab for claims package attached by the servicers during claims submission.
- o HUD Actions
- o Disposition Information (only for CT 21 and CT 23)
- o **Part A**: General Information
- o **Part B**: Fiscal Data
- o **Part C**: Support Documents
- o **Part D**: Support Documents
- o **Part E**: Support Documents

Step 7. After completing the review, click **Deny**. Enter **Decision Notes** to proceed.

Figure 8-48: Sample Claims Worksheet – Deny Claim

Step 8. Click **Save Changes** to save the **HUD Actions** section. The Claim Form HUD-27011 is auto-saved in the **Documents** tab.

Step 9. The claim form is displayed via a file download window with options to **Open, Save** or **Cancel**.

Step 10. Close the **Claims Worksheet** after viewing the claim form.

Step 11. The Completion Date on the step, **Ready for Review**, is pre-filled with the denied date. The claim is now denied.

Figure 8-49: Sample Claim Denied Step

Step 12. A new step, **HUD Decision - Denied**, is automatically added with **Completion Date** pre-filled with the denied date.

> Claim Type 22 is auto-approved upon submission and cannot be re-sent to Servicer requesting for additional information.

8.6.3 Requesting Pending Additional Information About a Claim

To request additional information:

Step 1. On the **Endorsed Claims Search** Screen, enter the search criteria to review the submitted claims and click **Search.**

Step 2. From the search results, select a claim to review.

Step 3. On the **Claims Steps** screen for the claim type timeline, select the **magnifying glass icon** beside Step 2 **Ready for Review**.

Figure 8-50: Step Information for a Claim Type

Step 4. A new window with the **Claims Worksheet** for Claim Type is displayed.

Step 5. The Claims Worksheet for **Claim Type** window is an electronic version of Claim Form HUD-27011 that was submitted by a servicer. The following links are available on the window header:
- o **Save Changes:** Save the changes made to the HUD Actions section
- o **Validate Claim:** Executes the validations on the claim form. Failed validations are displayed with validation message.

  o **View Claim:** Generates a PDF of the Claim Form HUD-27011

Step 6. Review the claim by each section. Note: Refer to **Documents** tab for claims package attached by the servicers during claims submission.

  o HUD Actions
  o Disposition Information (only for CT 21 and CT 23)
  o **Part A:** General Information
  o **Part B:** Fiscal Data
  o **Part C:** Support Documents
  o **Part D:** Support Documents
  o **Part E:** Support Documents

Step 7. After completing the review, click **Pending Additional Info.** Enter **Decision Notes** to proceed.

Figure 8-51: Sample Claims Worksheet – Pending Additonal Information

Step 8. Click **Save Changes** to save the **HUD Actions** section. The Claim Form HUD-27011 is auto-saved in the **Documents** tab.

Step 9. The claim form is displayed via a file download window with options to **Open, Save** or **Cancel**.

Step 10. Close the **Claims Worksheet** after viewing the claim form.

Step 11. The Completion Date on the step, **Ready for Review**, is pre-filled with the pre filled with the request date.

Figure 8-52: Sample Claim Pending Additonal Information Step

Step 12. Three new steps are added:
  - o **HUD Decision -** Pending Additional Info is automatically added with Completion date pre-filled with the request date.
  - o **Resubmit Claim 27011:** The servicer must re-submit the Claim Form HUD-27011. Upon resubmission the completion date is pre-filled with the date the claim was re-submitted.
  - o **Re Review:** The HUD Claims staff must re review the Claim Form HUD-27011. Upon HUD action (approve, deny or pending additional info), the completion date is pre-filled with the date.

8.6.3.1 Resubmitting a Claim

To resubmit a claim:

Step 1. On the **Endorsed Claims Search** screen, enter the loan search criteria and click **Search**.

Step 2. From the search results, select a claim to resubmit.

Step 3. The **Claims Step** screen for the claim type timeline is displayed.

Figure 8-53: Step Information for a Claim Resubmission

Step 4. Click the magnifying glass icon beside Step - **Resubmit Claim 27011**.

Step 5. A new window with the **Claims Worksheet** for claim type is displayed. A pop-up message is displayed for **MCA** Validation indicating that the claim amount will be adjusted if it exceeds Maximum Claim Amount. Click **OK** to proceed.
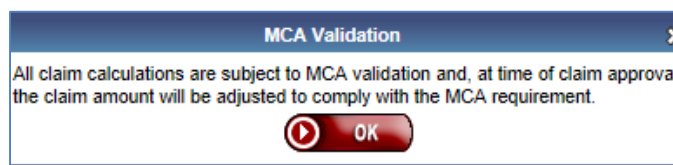
Figure 8-54: MCA Validation Message CT 21, CT 23 and CT 24

Step 6. Comments entered by HUD Claims staff requesting additional information is displayed in the **Claims Worksheet** window. The following links are available in the window header:
o **Save Changes:** Save changes made to the claim form
o **Validate Claim:** Execute the validations on the claim form. Failed validations are displayed with a validation message.
o **View Claim:** Generate a PDF of the Claim Form HUD-27011
o **Finalize and Submit Claim:** Enables servicers to submit a claim. Claims with failed validations cannot be submitted.

Step 7. Enter the requested information on claim worksheet. Click the **Save Changes.**

Step 8. Review the data populated on the **Claim Form HUD-27011** by selecting each of the sections listed below and make any required updates.
o Disposition Information (only for CT 21 and CT 23)
o **Part A:** General Information
o **Part B:** Fiscal Data
o **Part C:** Support Documents
o **Part D:** Support Documents
o **Part E:** Support Documents

Notes:
- Provide the description of the expenses for description type - **Other**.
- Attach the support documentation (such as HUD-1 form, invoices for the expenses etc.). in the **Documents** tab as part of the claim package.
- Parts C, D, and E will be pre-filled with data only if the transactions are added on the loan. This can be done manually via **Transactions - Loan** screen, or through B2G transactions file upload.

Step 9. Click **Validate Claim,** after completing the review.

Step 10. The following information is displayed at the top of the screen if any of the validations fail:
o Part of the Form HUD-27011 where the error occurred
o Field name associated with the error occurred
o Description of the error

Claims Worksheet for Claim Type 23			
Validation Errors			
Errors were encountered while validating the claim			
Please review the below errors and correct before continuing.			
Part	Block #	Error Message	
N/A	N/A	Appraisal Amount is required.	
Part A	Block 30	Authorized bid amount is required. Please enter an Appraisal Amount.	

Figure 8-55: Sample Claims Worksheet with Validation Errors

Step 11. Update the information and click **Save** Changes. Then, click **Validate Claim** to check if for any validations issues.

Step 12. Success validation message is displayed, if there are no validation issues.

Validation Successful
No errors were encountered while validating the claim

Figure 8-56: Sample Claims Worksheet with no Validation Errors

Step 13. Click **Finalize and Submit** when the claim is ready for submission. After the claim is submitted, the claim form can no longer be updated.

Step 14. A pop-up message is displayed for **MCA** Validation indicating that the claim amount will be adjusted if the Maximum Claim Amount is exceeded. Click **OK**.

Step 15. A pop-up message is displayed requesting the user to certify the claim form. Click **Yes**.

Figure 8-57: Certify Window – CT 21, CT 23 and CT 24

Step 16. The final Claim Form HUD-27011 is auto-saved in the Documents tab. Only the **View Claim** link is available on the header; the remaining links to **Save Changes, Validate Claim** and **Finalize and Submit** will no longer be displayed.

Step 17. The final claim form is displayed in a file download window with options to Open, Save or Cancel.

Step 18. The completion date on the step **Resubmit Claim 27011** is pre-filled with the date the claim is re-submitted.

Step 19. The claim is now ready for HUD re review.

Figure 8-58: Claim Ready for HUD Re Review

8.6.3.2   Re Reviewing a Claim

To re review a claim:

Step 1. On the **Endorsed Claims Search** Screen, enter the search criteria to review the submitted claims and click **Search.**

Step 2. From the search results, select a claim to review.

Step 3. On the **Claims Steps** screen for the claim type timeline, select the **magnifying glass icon** beside Step **Re Review.**

Figure 8-59: Step Information for a Claim Type – Re Review

Step 4. A new window with the **Claims Worksheet** for Claim Type is displayed.

Figure 8-60: Sample Claims Worksheet – Re Review

Step 5. The Claims Worksheet for **Claim Type** window is an electronic version of Claim Form HUD-27011 that was submitted by a servicer. The following links are available on the window header:
- o **Save Changes:** Save the changes made to the HUD Actions section
- o **Validate Claim:** Executes the validations on the claim form. Failed validations are displayed with validation message.
- o **View Claim:** Generates a PDF of the Claim Form HUD-27011

Step 6. Review the claim by each section. Note: Refer to **Documents** tab for claims package attached by the servicers during claims submission.
- o HUD Actions
- o Disposition Information (only for CT 21 or CT 23)
- o **Part A:** General Information
- o **Part B:** Fiscal Data
- o **Part C:** Support Documents
- o **Part D:** Support Documents
- o **Part E:** Support Documents

Step 7. After completing the review, select an Approve, Deny or Pending Additional Info under HUD Actions section. Decision Notes are required for Deny or Pending Additional Info.

Step 8. Click **Save Changes** to save the **HUD Actions** section. The Claim Form HUD-27011 is auto-saved in the **Documents** tab.

Step 9. The claim form is displayed via a file download window with options to **Open, Save** or **Cancel**.

Step 10. Close the **Claims Worksheet** after viewing the claim form.

Step 11. The Completion Date on the step, **Re Review**, is pre-filled with the above decision date.

#	Step Description	Scheduled Date	Complete Date	Step Group	Step Note	Status	Create Date
1	HUD Decision - Pending Additional Info	01/16/2012	01/16/2012	HUD		Active	01/16/2012 02:51:1
2	HUD Decision - Pending Additional Info	01/16/2012	01/16/2012	HUD		Active	01/16/2012 03:23:0
3	Servicer Files Claim - 27011	02/01/2012	01/16/2012	Servicer		Active	01/16/2012 02:32:1
4	Ready for Review	02/01/2012	01/16/2012	HUD		Active	01/16/2012 02:32:1
5	Resubmit Claim 27011	03/11/2012		Servicer		Active	01/16/2012 03:32:5
6	Resubmit Claim 27011	03/11/2012	01/16/2012	Servicer		Active	01/16/2012 03:01:1
7	Re Review	03/16/2012		HUD		Active	01/16/2012 03:32:5
8	Re Review	03/16/2012	01/16/2012	HUD		Active	01/16/2012 03:01:1

8 Step(s)

Figure 8-61: Sample Claim Re Review Step

Step 12. Based on the action taken by HUD new steps will be automatically added:
- **Approved for Payment** is automatically added with Completion date pre-filled with the decision date. **Advice of Payment** will be displayed on the **Documents** tab.
- **Denied HUD Decision** - **Denied** is automatically added with Completion date pre-filled with the decision date.
- **Pending Additional Info**:
  - **HUD Decision - Pending Additional Info** is automatically added with Completion date pre-filled with the decision date.
  - **Resubmit Claim 27011:** The servicer must re-submit the Claim Form HUD-27011. Upon resubmission the completion date is pre-filled with the date the claim was re-submitted.
  - **Re Review:** The HUD Claims staff must re review the Claim Form HUD-27011. Upon HUD action (approve, deny or pending additional info), the Completion Date is pre-filled with the decision date.

8.7   No Pay Order

The Servicing Module allows the authorized user to add a No Pay Order on a loan or Servicer. When a No Pay Order is added on a loan or Servicer:
- The Servicer will not be able to submit a claim associated with the loan.
- If a claim is already submitted prior to the No Pay order, the claim cannot be approved by HUD Claims staff (the claim timeline will be inactivated upon No Pay Order).
- If a claim is already approved for payment and payment transaction has not been sent to the Accounting Module, the claim payable request will not be sent to Accounting Module (the claim timeline will be inactivated upon No Pay Order).
- If a claim has already been submitted for payment, the system cannot withdraw the payment request sent to the Accounting Module.

8.7.1   Adding a No Pay Order on a Loan

To add a No Pay Order on a loan:

Step 1. Click the **Loan** tab.

Step 2. Enter the search criteria for the loan that requires no pay order and click Search.

Step 3. Select the loan from the **Search Results** section.

Step 4. Click **Loan Details** on the left side of the **Loan Balance** screen.

Step 5. Click **Edit** at the bottom of the **Loan Identifiers** section on the **Loan Details** screen.

Figure 8-62: No Pay Order – Edit Loan Identifiers Window

Step 6. Select the checkbox beside the **No Pay Order** field and click **Submit** on **the Edit Loan Identifiers** window.

Step 7. A pop-up window is displayed, requesting the user to confirm action and notifying user that all claims timelines associated with the loan that have not been submitted to Accounting Module for payment will be inactivated. Click **OK.**

Figure 8-63: No Pay Order – Confirmation Window

Step 8. This completes the no pay order on a loan.

Step 9. To remove the no pay order, select the loan and uncheck the No Pay Order checkbox and click **Submit.**

8.7.2 Adding a No Pay Order on a Servicer

To add a No Pay Order on a servicer:

Step 1. Click the **Admin** tab.

Step 2. Click **Servicer** at the left side of the **Admin** screen.

Step 3. Enter the search criteria of the Servicer that requires no pay order, click **Search**.

Step 4. Select the Servicer from the **Search Results**.

Figure 8-64: Admin - Servicer Screen

Step 5. Select the checkbox beside the **No Pay** field under the **No Pay Information** section and click **OK**.

Figure 8-65: No Pay - Servicer Profile Screen

Step 6. A pop-up window is displayed, requesting the user to confirm action and notifying user that all claims timelines associated with the Servicer that have not been submitted to Accounting Module for payment will be inactivated. Click **OK**.
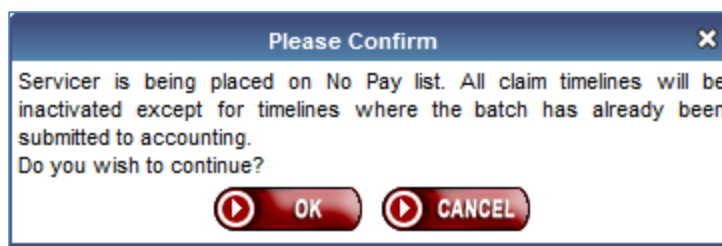
Figure 8-66: No Pay – Confirmation Window

Step 7. This completes the no pay order on the Servicer.

Step 8. To remove the no pay order, select the Servicer and uncheck the No Pay checkbox and click **OK**.

8.8 Cancel Payment

The Servicing Module allows cancellation of claim payment, if a claim was approved for payment inadvertently, provided the claim payable request has not been sent to Accounting Module. Once the transaction has been sent to the Accounting Module, the payment cannot be cancelled.

Step 1. Click **Accounting - Claims** tab from the top menu

Step 2. Enter the search criteria and click **Search** on the **Claims Search** screen to display the claims transactions. Claims that need cancellation can also be searched by selecting the **Batch status** of Pending and **Claim Status** of Approved for Payment.

Figure 8-67: Accounting – Claims Screen

Step 3. The search results matching the search criteria are displayed in the **Search Results** section.

Step 4. Select the record displayed in the search results. The **Edit Claim** window is displayed.

Step 5. On the **Edit Claim** window, select Cancelled from the **Claim Status** dropdown.

Figure 8-68: Edit Claim Window

Step 6. Click **Submit** to save the changes. A certify window is displayed requesting the user to confirm action. Enter the password and click **Yes.**

Figure 8-69: Certify Window

Step 7. The Claim Status is updated to Cancelled. To exit the window without saving the changes, click **Cancel**.

8.9   Payment Processing

This section explains the claims payment processing in HERMIT (Servicing and Accounting Modules) system.

1. The claim transaction is generated when the claim is approved in the Servicing Module. These FHA cases are sent to the Accounting Module for generation of payables via an interface file with exception to payment cancellation (documented in Cancel Payment section) or a No Pay flag (documented in No Pay Order section).

2. The Servicing Module assigns a batch ID and batch status for the payable request to track the payment status. Once the file is generated and sent to the Accounting Module, the batch status (Sent to GL - Held) is updated to indicate that the transaction has been sent to the Accounting Module. The system adds a new step Submitted for Payment on the claims timeline, this step is auto-completed with the date the interface file is sent to Accounting Module.

3. The Accounting Module processes the file, records the payable in a held status and sends a response file to the Servicing Module. The Servicing Module processes the response file from the Accounting Module and updates the batch status (Success – Held).

4. The Servicing Module sends the release transaction to the Accounting Module via an interface file. The Accounting Module processes the file, records the payable in the release status and sends a response file to the Servicing Module. The Servicing Module processes the response file from the Accounting Module and updates the batch status (Success – Disburse).

5. The HUD Financial Operations and Control Section (FOCS) will receive the PM 103 report for the claims processed in the Accounting Module. The HUD FOCS will generate the claims batch transmittal report from the Transmittals screen in the Servicing Module and manually validate the claims batch transmittal report against the PM 103. Upon completion, the HUD FOCS will populate the Disbursement Transmittal Report and send, via email or fax, the Disbursement Transmittal Report along with the Claims Payable Batch Transmittal Report to HUD's CMB.

6. The CMB will complete budget check processes in the FHASL and attach the budget check report to the transmittal. The Accounting Module will generate a disbursement schedule file in Treasury SPS format for all daily approved claims payable requests. The daily SPS files will be placed on the HUD server for access by CMB.

7. The completed, approved transmittal with all attachments is used by a CMB DEO to select the appropriate Accounting Module Disbursement files placed on HUD's server for final review. If the disbursement file and Disbursement Transmittal Report are in agreement, a CMB certifying officer certifies the schedules and transmits them to the Treasury Regional Finance Center for payment.

8. Once Treasury completes the payments, the HERMIT accounting support team will download the RFC report and confirm the payment schedules in the Accounting Module. The Accounting Module will then send the disbursement confirmation to the Servicing Module via an interface file.

9. The Servicing Module processes this file and the batch status is updated to Disbursed. The system updates the claim status to Paid and adds a step Claim Paid on the claims timeline, this step is auto-completed with the date the file has been processed.

The table below shows the claim type, case status and case sub-status updates upon receipt of payment confirmation from Accounting Module:

Claim Type	Case Status	Case Sub-Status
CT 21	Terminated	Terminate – CT 21
CT 22	No Update	No Update
CT 23	Terminated	Terminate – CT 23
CT 24	Terminated	Terminate – CT 21/23

Table 8-5: Update of Case Status and Case Sub-Status - Receipt of Payment Confirmation

CHAPTER 9: REPORTS

9. REPORTS

This chapter will provide users with an overview of the following reporting features and report sections:

- **Reports Overview**
- **Accessing Reports**
- **Using the Search Criteria**
- **Generating Reports**
- **Premiums Daily Reports**
- **Assigned Notes Reports**
- **Management and Budgetary Reports**
- **HERMIT Support**

9.1 Reports Overview

In the Servicing Module, there are a variety of reports for various audiences. The reports are grouped so that users with the unique permissions will only see the reports that are pertinent to their user role. Users can create and save the reports as PDFs or Excel spreadsheets. Some reports cannot be viewed in Excel. The reports are additionally grouped in two active report types, based on the grouping of the data used to compile the report:

- Daily reports provide live data current through the day the report is run.
- Monthly reports pull data that was captured and stored at the end of the month.

The grouping of the data differs, however, from the range of time a report may cover. That is, a daily report may include data current through today for an entire week, year, or month. A monthly report, in contrast, will include data through the end of the month, but cover a week, year, or month.

Reports fall into five basic categories:

- Lender/Servicer Reports
- Assigned Notes Reports
- Management and Budgetary Reports
- Servicer Reports
- HERMIT Support

Access to reports is role-dependent and is granted at the category level.

9.2 Accessing Reports

To select search criteria for a report:

Step 1. On the **Home** screen, click the **Reports** tab.

Figure 9-1: Reports Tab

Step 2. On the **Welcome to the Reports** screen, click the folder icon to view the list of reports for the relevant business area.

Lender/Servicer Reports «
  Daily Reports
    Daily IMIP Transaction
    Daily Refund Transaction
Assigned Notes Reports
  Daily Reports
    Alerts Detail
    Audit Tracking
    Bulk Printing Letters
    Closed Loan Files
    Disbursement Detail
    Disbursement Summary
    Export Banko File
    Export FARETS File
    Foreclosure Activity Listing
    HECM Foreclosure
    Loan Principal Limit Detail
    Missing Loan Document Detail
    Needs Custodial Care
    Placed In Custodial Care
    Release Activity Steps By User
    Subordinations Carried Over Detail
    Title Approval Denied
    Transaction Activity
  Monthly Reports
    HUD Monthly Count
    HUD Monthly Director Report - HECM Assigned Detail
    Month-End Trial Balance Detail
    Monthly Activity Detail
    Monthly Claims Paid
    Monthly Portfolio Activity
Management/Budgetary
  Daily Reports
    Repayment Plan
  Monthly Reports
    Monthly Cohort Summary
    Monthly Portfolio Activity
    Monthly Statistical Summary
Servicer Reports
  Daily Reports
    Claims Detail
    Default Key Dates
STORM Support
  Daily Reports
    Accounting Exceptions
    Audit Tracking - Non Loan
    B2G Transaction Exception
    CHUMS Exception
    File Upload Exception

Figure 9-2: Expanded Reports Folder

Step 3. On the left side of the screen, select a report to query and the reports search screen will be displayed.

Figure 9-3: Reports Search Screen

9.3 Using the Search Criteria

You can use the search criteria after clicking on a report link.

To do this you will:

Step 1. Expand the search criteria by clicking on the down arrows in the screenshot below:

Figure 9-4: Reports Search Criteria Expanded

Step 2. To move a selection to the right, click on the item on the left side and click the single arrow pointing to the right. The opposite arrow can be used to move an item to the left.

Step 3. To select the entire list from the left and move it to the right, click the right double arrow. The opposite double arrow can be used to move the entire list to the left.

Step 4. To select several contiguous items on the list, hold down the shift key while making your selection and then click the arrow.

Step 5. To select non-contiguous items, hold down the CTRL key, click each item, and then click the arrow.

9.4   Generating Reports

Reports can be generated as PDFs or Excel spreadsheets.

To generate a report:

Step 1. Complete the search criteria for the report you would like to see results for.

Step 2. Select the **Execute PDF** link or the **Execute Excel** link (if available).

Figure 9-5: Execute PDF and Execute Excel Links

Step 3. Follow the screen prompts to save the file.

9.5   Lender/Servicer Reports

The following daily reports are available for Lender/Servicer:
*   Daily IMIP Transaction
*   Daily Refund Transaction

9.5.1   Daily IMIP Transaction

This report enables authorized users to view the IMIP transactions generated in the Servicing Module along with transaction details within a specified date range.

Figure 9-6: Daily IMIP Transaction Report

To generate this report:

Step 1. Click on the **report link** on the left menu and the report search screen will display.

Step 2. You must enter a value for either the **FHA Case #** or **Transaction Date** range.
o   For **Transaction Date Range,** you must enter both the start and end dates, and the range cannot exceed 90 days.

Step 3. To further narrow the results of your report, you can filter your report by:
o   Case Status
o   Batch Status
o   Lender Name
o   Servicer Name

Step 4. Click the **Execute PDF** or **Execute Excel** link.

For the selected criteria, the following fields are displayed:

FHA case number, case status, batch status, lender name, and/or servicer name, the transaction begin and end date, loan Skey, batch number.

The report also totals IMIP amount, any late charges/interest and total amount for the transaction date range you specified.

9.5.2   Daily Refund Transaction

The Daily Refund Transaction report enables authorized users to view the refunds generated in the Servicing Module, along with transaction details within a specified date range.

Figure 9-7: Daily Refund Transaction Report

To generate this report:

Step 1. Click on the report link on the left menu and the report search screen will display.

Step 2. You must enter a value for either FHA Case # or Transaction Date Range.
- o For **Transaction Date Range,** the user must enter both the start and end dates, and the range cannot exceed 90 days.

Step 3. To further narrow the results of your report, the user can filter the report criteria by:
- o Lender name
- o Servicer name
- o Refund Status

Step 4. Click the **Execute PDF** or **Execute Excel** link.

For the selected criteria, the following fields are displayed:

FHA case number, refund type, refund status, request date, request amount, approved by, approved date, lender name, and/or servicer name.

The report also totals refund amount for the requested date range specified.

9.6 Assigned Notes Reports

The following Assigned Notes reports, compiled using daily data, are available:
- Alerts Detail
- Audit Tracking
- Bulk Printing Letters
- Closed Loan Files
- Disbursement Detail
- Disbursement Summary
- Export BANKO File
- Export FARETS File
- Foreclosure Activity Listing
- HECM Foreclosure
- Loan Principal Limit Detail
- Missing Loan Document Detail
- Needs Custodial Care
- Placed In Custodial Care
- Release Activity Steps By User
- Subordinations Carried Over Detail
- Title Approval Denied
- Transaction Activity

The following monthly reports are available:
- HUD Monthly Count
- HUD Monthly Director Report – HECM Assigned Detail
- Month-End Trial Balance Detail
- Monthly Activity Detail
- Monthly Claims Paid
- Monthly Portfolio Activity

9.6.1 Alerts Detail

The Alerts Detail report enables authorized users to view the alerts on a specific FHA Case # or list of FHA case numbers with a specific alert type.

Figure 9-8: Alerts Detail Report

To generate this report:

Step 1. Click on the **report link** on the left menu and the report search screen will display.

Step 2. You must enter a value for the **Alert** criteria (FHA Case # or Loan Skey).

Step 3. To further narrow the results of your report, you can filter by:
- o Product Type
- o Pay Plan Type
- o Alert Status
- o Alert Date
- o Created Date
- o Alert Note

Step 4. To limit the results of the report if necessary, the user can expand the selection boxes for:
- o Lender Names
- o Servicer Names
- o Investor Names
- o Case Statuses
- o Case Sub-Statuses
- o Alerts

Step 5. Click the **Execute PDF** or **Execute Excel** link.

For the selected criteria, the following fields are displayed grouped by:

Product Type and Lender Name: Lender Name, Loan Skey, Lender Loan #, FHA Case #, Case Status, Case Sub-Status, Alert Date, Created Date, Alert Type Description, Alert Amount, Alert Status, Alert Exp. Date, Created By, Changed By, Changed Date, and Alert Note.

9.6.2 Audit Tracking

The Audit Tracking report enables authorized users to view the audit information on a specific FHA Case # or list of FHA case numbers with a specific audit update.

Figure 9-9: Audit Tracking Report

To generate this report:

Step 1. Click on the **report link** on the left menu and the report search screen will be displayed.

Step 2. You must enter a value for one of the following criteria: **Loan Skey, FHA case #, Change date.**

Step 3. To further narrow the results of your report, you can filter by:
- o Product Type
- o Case Status
- o Changed By
- o Include audit information associated with system updates

Step 4. To limit the results of the report if necessary, the user can expand the selection boxes for:
- o Lender Names
- o Servicer Names
- o Investor Names
- o Case Sub-statuses
- o Audit Types
- o Alerts

Step 5. Click the **Execute PDF** or **Execute Excel** link.

For the selected criteria, the following fields are displayed grouped by:

Product Type and Lender Name: Lender Name, Case Status Loan Skey, Lender Loan #, Case Sub-Status, Audit Type, Audit, Description, Original Value, New Value, Changed By, and Changed Date.

9.6.3 Bulk Printing Letters

This report enables authorized users to print letters in bulk associated with the following compliance timelines for Assigned loans:
- o Occupancy Compliance Certification
- o Insurance Flood Policy
- o Insurance Hazard Policy
- o Taxes Delinquent

Figure 9-10: Bulk Printing Letters Report

To generate this report:

Step 1. Select the timeline (**Servicing Type** dropdown) and then select the letter name within the timeline. Optionally, the scheduled date/completed date range can be selected.

Step 2. Click **Execute PDF.** The **Print Confirmation** window is displayed with a list of letters available for bulk printing.
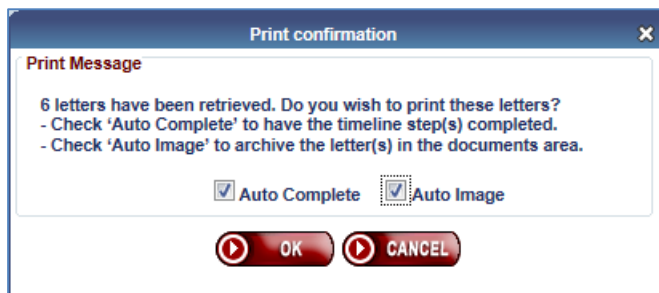
Figure 9-11: Bulk Printing – Selecting Auto Complete and Auto Image

Step 3. Authorized users can also auto-complete the steps associated with the letter generation and auto-save the letters on the Documents tab of the corresponding loan. To do this, select the checkbox beside **Auto Complete and Auto Image** and click **OK.**

Step 4. A print message window is displayed warning the user that it may take some time to generate the PDF; click **OK.**

For the selected letter, the PDF document is displayed with the letters for each of the FHA case numbers.

9.6.4 Closed Loan Files

The Closed Loan Files Report enables authorized users to view the terminated loans via the terminated transactions generated in the Servicing Module.

Figure 9-12: Closed Loan Files Report

To generate this report:

Step 1. Click on the **report link** on the left menu and the report search screen will display.

Step 2. To narrow the results of your report, you can filter by:
   o   Product Type
   o   State
   o   Box #
   o   Closed Transaction Date Range

Step 3. To limit the results of the report if necessary, the user can expand the selection boxes for:
   o   Lender name
   o   Servicer name
   o   Investor Name
   o   Case Status
   o   Case Sub-status

Step 4. Click the **Execute PDF** or **Execute Excel** link.

For the selected criteria, the following fields are displayed:

Box #, Product Type, Loan Skey, Lender Loan #, Current Case Status, Current Case Sub-Status, State, Borrower Name, Property Address, Closing/Signed Date, Assignment Date, Payoff Date.

9.6.5 Disbursement Detail

The Disbursement Detail Report enables authorized users to view the disbursement details on all loans, regardless of case status.

Figure 9-13: Disbursement Detail Report

To generate this report:

Step 1. Click on the **report link** on the left menu and the report search screen will display.

Figure 9-14: Disbursement Detail Selection

Step 2. To narrow the results of your report, you can filter by:
- o Product type
- o Pay Plan type
- o Int. Rate type
- o Credit Type
- o Created by
- o Create Date (date range)
- o Process Date (date range)
- o Disbursement Date (date range)
- o Disbursement Status
- o Voided
- o Cleared
- o Reimbursable
- o Payment Stopped

Step 3. To limit your report if necessary, expand the selection boxes for the following:
- o Lender Names
- o Servicer Names
- o Investor Names
- o Case Statuses
- o Disbursement Types
- o Alerts

Step 4. Click the **Execute PDF** or **Execute Excel** link.

For the selected criteria, this report shows:

Servicer Name, Investor Name, Loan Skey, Batch Skey, FHA Case Number, Case Status, Pay Plan Type, Disbursement Type, Pay To, Check #, Created By, Create Date, Process Date, Disb Date, Disb Amount, Disbursement Status (Disbursed, Cleared, Voided, Reimbursed, Stopped).

9.6.6 Disbursement Summary

This report provides authorized users with a summary of all disbursements grouped by user ID depending on the criteria submitted by the user.

Figure 9-15: Disbursement Summary Report

To generate this report:

Step 1. Click on the **report link** on the left menu and the report search screen will display.

Step 2. To narrow the results of your report, you can filter by:
- o Product Type
- o Payment Plan Type
- o Created By
- o Created Date (date range)
- o Check Date (date range)
- o Disbursement Date (date range)
- o Disbursement Status
- o Cleared
- o Payment Stopped

Step 3. To limit your report if necessary, expand the selection boxes for:
- o Lender Names
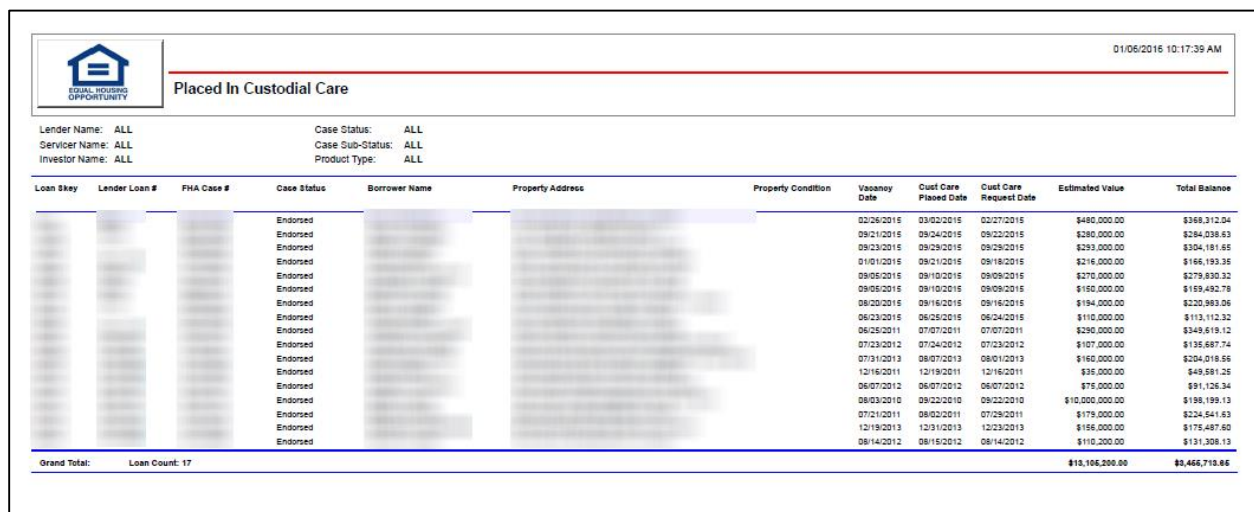- o Servicer Names
- o Investor Names
- o Case Statuses
- o Case Sub-statuses

Step 4. Click the **Execute PDF** or **Execute Excel** link.

The report first displays the criteria selected by the user. Next it displays the following items: Product Type, User ID, Processed By, Disbursement Type, # of Checks, and Check Total.

9.6.7 Export BANKO File

This file tracks the death and bankruptcy activity on the HECM loan portfolio serviced by HUD. The screenshot of the export file was intentionally left out, because all the data fields within the file are Personally Identifiable Information (PII).

To generate this report:

Step 1. Click on the **report link** on the left menu and the **Report Search** screen is displayed.

For the selected criteria, the following fields are displayed:

FHA Case#, First Name, Middle Name, Last Name, Suffix, SSN/Tax ID, Address, City, State, Zip Code, Agreement Date, Product Code.

9.6.8 Export FARETS File

This file, First American Real Estate Tax Service (FARETS) tracks delinquent property tax activity on the HECM loan portfolio serviced by HUD. The screenshot of the export file was intentionally left out, because all the data fields within the file are Personally Identifiable Information (PII).

To generate this report:

Step 1. Click the **Export FARETS File** link to get a default file that includes all the tax delinquent properties. If you enter a date range, the exported file will only include tax delinquent properties tracked within this period of time.

Step 2. For the selected criteria, the following fields are displayed: FHA Case #, Borrower Name, Property Address, and Parcel #.

9.6.9 Foreclosure Activity Listing

This report provides a list of loans with various foreclosure activities as specified by the user.
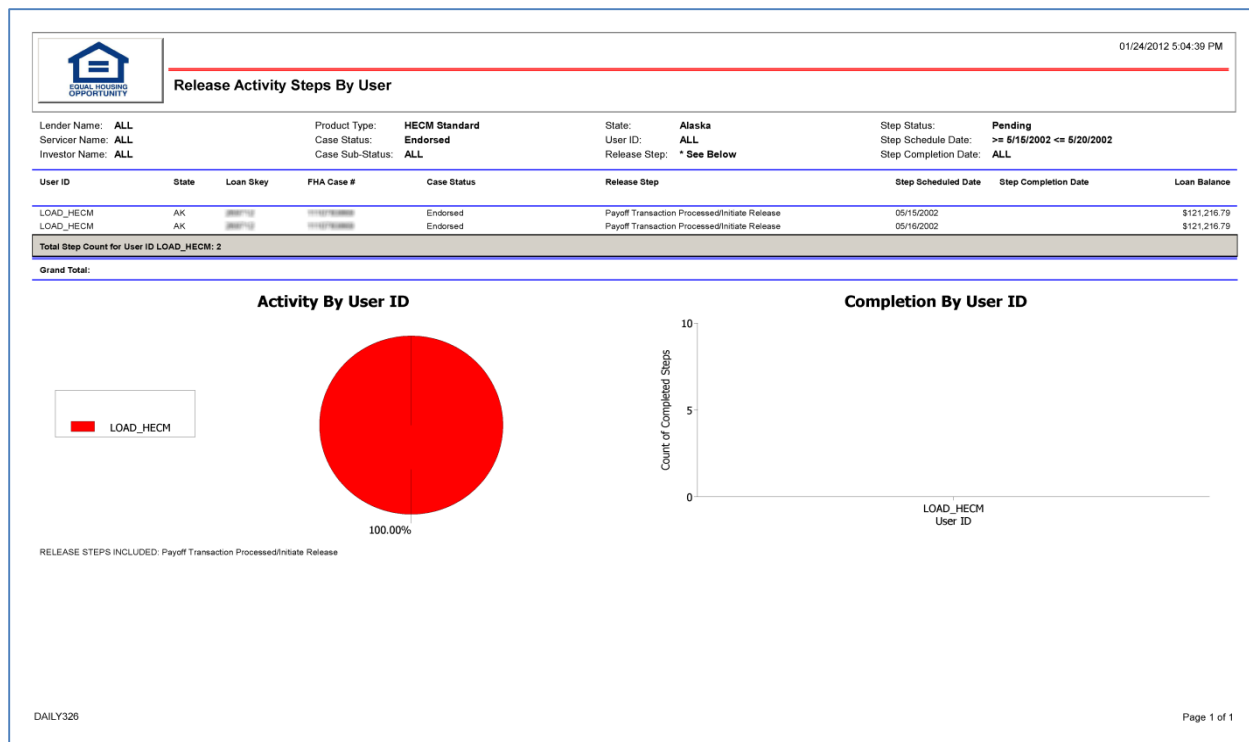

Figure 9-16: Foreclosure Activity Listing Report

To generate this report:

Step 1. Click on the **report link** on the left menu and the report search screen will display.

Step 2. To narrow the results of your report, you can filter by:
- Product Type
- State
- Foreclosure Status
- Step Scheduled Date (date range)

Step 3. To limit your report if necessary, expand the selection boxes for:
- Case Statuses
- Case Sub-statuses

Step 4. Click the **Execute PDF** or **Execute Excel** link.

For the selected criteria, the following fields are displayed:

FHA case #, Loan Skey, Investor Loan_#, Case Status, Prop Address, Borrower Name, Servicing Step Description, , Create Date, Schedule Date, and Vendor Name.

9.6.10   HECM Foreclosure

The HECM Foreclosure Report enables authorized users to view the loans in the Servicing Module that have had a Foreclosure timeline created.

Figure 9-17: HECM Foreclosure Report

To generate this report:

Step 1. Click on the **report link** on the left menu and the report search screen will display.

Step 2. To narrow the results of your report, you can filter by:
- Loan Skey
- FHA Case #
- Product Type

> o Pay Plan Type
> o Rate Type
> o Servicing Status

Step 3. To limit your report if necessary, expand the selection box for the following:
> o Case Sub Statuses

Step 4. Click the **Execute PDF** or **Execute Excel** link.

For the selected criteria, the following fields are displayed:

Loan Skey, FHA Case #, Borrower Name, Property Address, Responsible Party, Timeline Status, Servicing Status, Appraised Value, Rate Type, Pay Plan Type, UPB, Attorney Name, Last Action and Note.

9.6.11   Loan Principal Limit Detail

The Loan Principal Limit Detail Report enables authorized users to view the loan balance details for their loans in the Servicing Module, including the current principal limit and the loan balance.

Figure 9-18: Loan Principal Limit Detail Report

To generate this report:

Step 5. Click on the **report link** on the left menu and the report search screen will display.

Step 6. To narrow the results of your report, you can filter by:
> o Loan Skey
> o Product Type
> o Pay Plan Type
> o As of Date

Step 7. To limit your report if necessary, expand the selection boxes for the following:

    o   Case Statuses
    o   Case Sub Statuses
    o   Alerts

Step 8. Click the **Execute PDF** or **Execute Excel** link.

For the selected criteria, the following fields are displayed on the report:

Loan Skey, Case Status, FHA Case #, Boarded Date, Funded Date, Current Principal Limit, Principal Balance, Interest Balance, MIP/PMI Balance, Service Fee Balance, Loan Balance, Service Fee Set Aside, Repair Set Aside, First Year Set Aside, Other Set Aside, Credit Line Set Aside, and Net Principal Limit.

9.6.12 Missing Loan Document Detail

The Missing Loan Document Detail Report enables authorized users to view information about loans that are missing Notes documents or mortgage documents.

Figure 9-19: Missing Loan Document Detail Report

To generate this report:

Step 1. Click on the **report link** on the left menu and the report search screen will display.

Step 2. To narrow the results of your report, you can filter by:
    o   Product Type
    o   Property State
    o   Origination Date (date range)
    o   Note Document Exists
    o   Mortgage Document Exists

Step 3. To limit your report if necessary, expand the selection boxes for the following:
    o   Lender Names

    o   Servicer Names
    o   Investor Names
    o   Case Statuses
    o   Case Sub-Statuses

Step 4. Click the **Execute PDF** or **Execute Excel** link.

For the selected criteria, the following fields are displayed:

FHA Case #, Loan Skey, Lender Loan #, Product Type, Origination Date, Current Case Status, Borrower Name, Property Address, Note Doc Exists, and Mortgage Doc Exists.

9.6.13   Needs Custodial Care

The Needs Custodial Care Report enables authorized users to view the specifics or list of Custodial Care information in the Servicing Module.
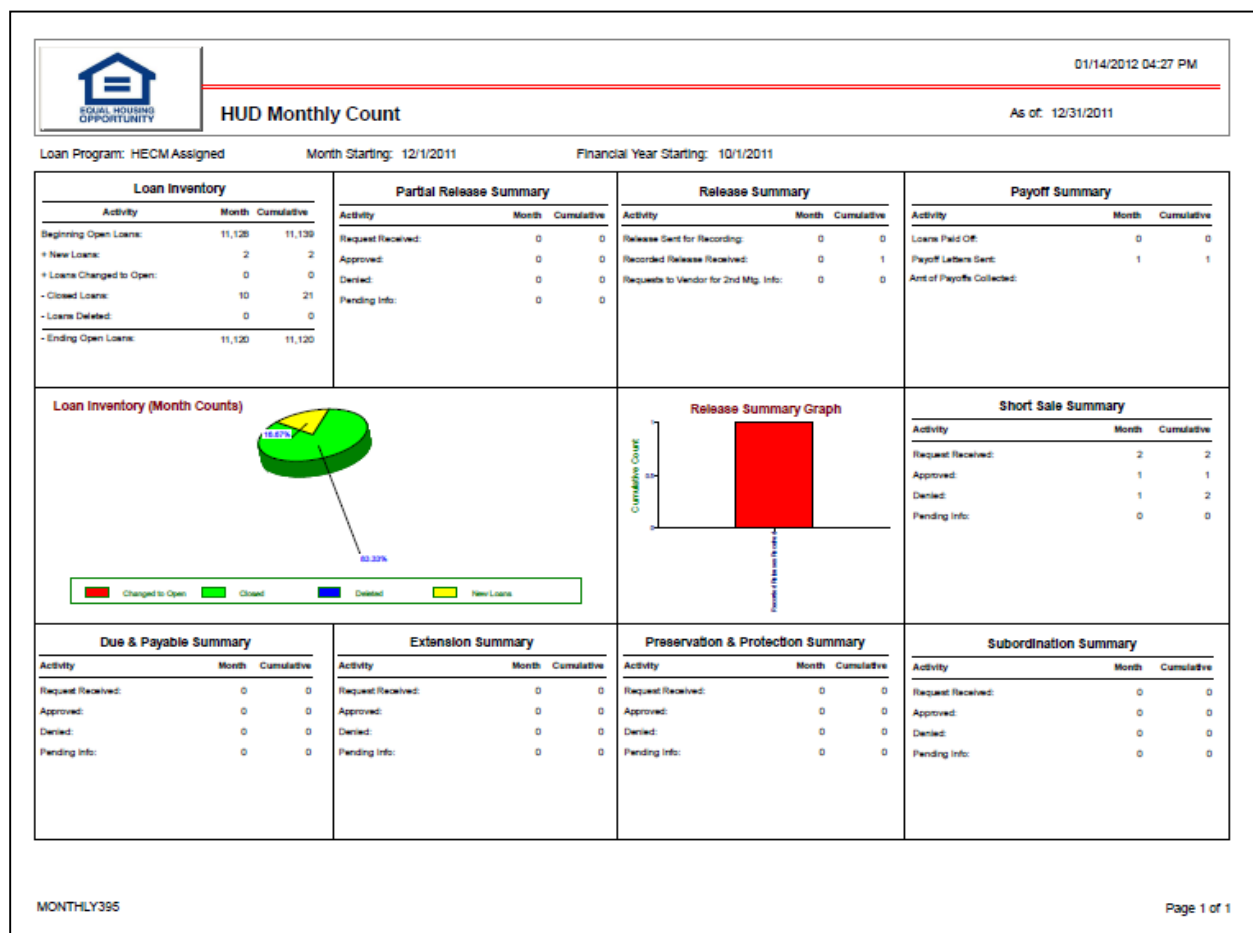

Figure 9-20: Needs Custodial Care Report

To generate this report:

Step 1. Click on the **report link** on the left menu and the report search screen will display.

Step 2. To narrow the results of your report, you can filter by:
    o   A Product Type (You can also leave this blank to run a report for all product types).

Step 3. To limit your report if necessary, expand the selection boxes for:
    o   Lender Names
    o   Servicer Names
    o   Investor Names
    o   Case sub-statuses

o   Product types

Step 4. Click the **Execute PDF** or **Execute Excel** link.

For the selected criteria, the following fields are displayed:

Loan skey number, lender loan number, FHA case number, case status, the name of the borrower, the property address, the property condition (if available), the vacancy date, the date the vacancy was confirmed (if known), the estimated value of the property, and the total balance on the loan, the section of act (SOA), the custodial care request date, the custodial care placed date, the area for custodial property, and the recorded date of deed. The estimated value and total balance are totaled for all records on the report.

9.6.14   Placed In Custodial Care

This report enables users to view certain loans or a list of loans that have been placed in custodial care.
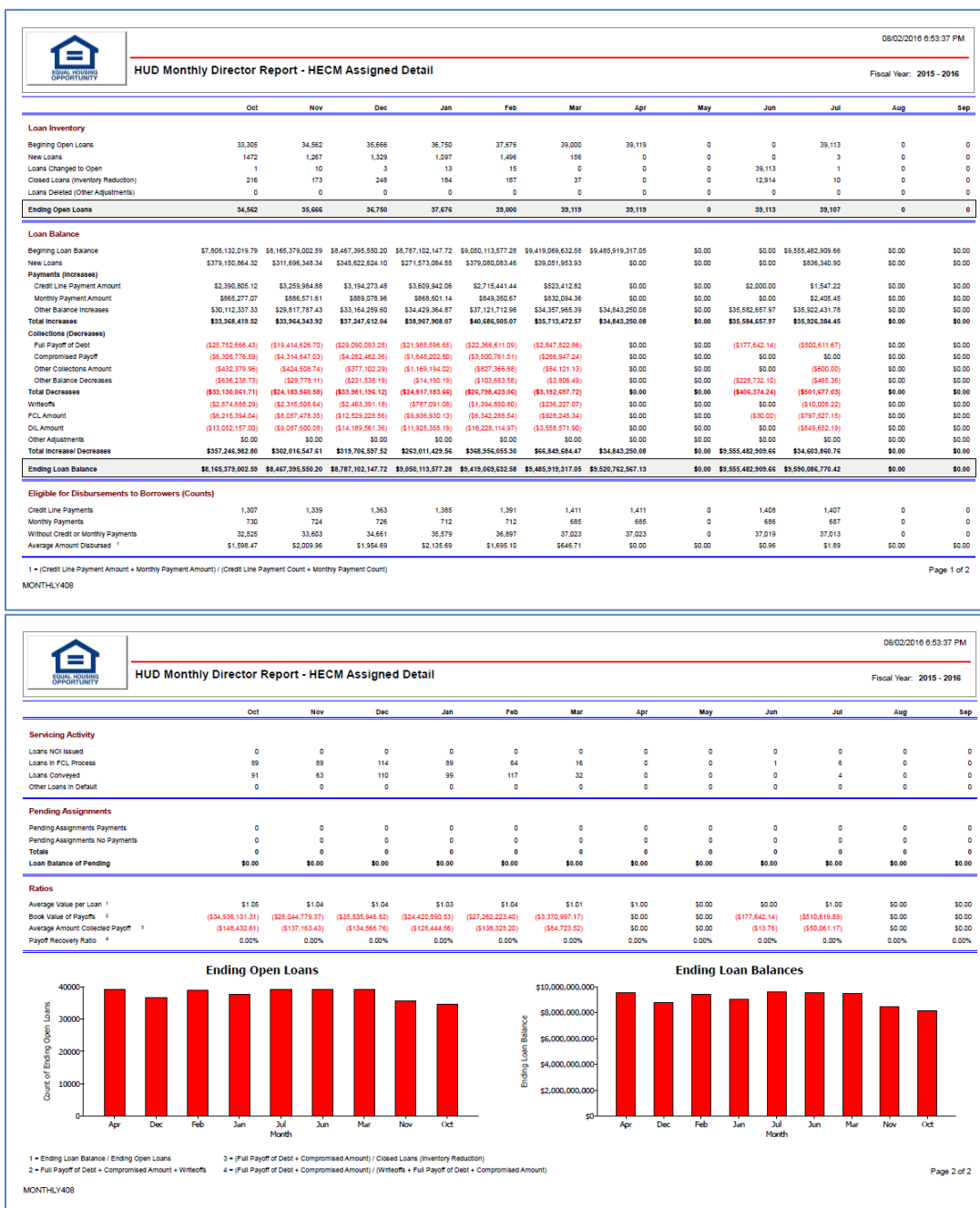

Figure 9-21: Placed in Custodial Care Report

To generate this report:

Step 1. Click on the **report link** on the left menu and the report search screen will display.

Step 2. To narrow the results of your report, you can filter by:
o   A Product Type (You can also leave this blank to run a report for all product types).

Step 3. To limit your report if necessary, expand the selection boxes for:
o   Lender Names
o   Servicer Names
o   Investor Names
o   Case Statuses
o   Case Sub-Statuses

Step 4. Click the **Execute PDF** or **Execute Excel** link.

For the selected criteria, the following fields are displayed:

Loan Skey number, the lender loan number, the FHA case number, the borrower name, the property address, the date the property was placed in custodial care, the date the property became vacant, the estimate value and total balance, the loan status, the customer care request date, the section of act (SOA), the fee status, the area for custodial property and the recoded date of deed. Estimated value and total balance are totaled for all records on the report.

9.6.15   Release Activity Steps By User

The Release Activity Steps by User Report enables authorized users to view the specifics or list of Release Activity information in the Servicing Module.

Figure 9-22: Release Activity Steps by User Report

To generate this report:

Step 1. Click on the **report link** on the left menu and the report search screen will display.

Step 2. To narrow the results of your report, you can filter by:
- o   Product Type
- o   State
- o   User ID
- o   Release Step
- o   Step Scheduled Date (Date Range)
- o   Step Completed Date (Date Range)
- o   Release Step Status

Step 3. To limit your report if necessary, expand the selection boxes for:
- o   Lender Names
- o   Servicer Names
- o   Investor Names
- o   Case Statuses

o Case Sub-statuses

Step 4. Click the **Execute PDF** or **Execute Excel** link.

For the selected criteria, the following fields are displayed:

Loan Skey, FHA Case #, Product Type, Loan Status, State, Release Step, Step Schedule Date, Step Completion Date, User ID, and Loan Balance.

9.6.16 Subordinations Carried Over Detail

The Subordination Carried Over Detail report enables authorized users to view the specific subordination details or a list of Subordination details and status information for cases in the Servicing Module.

Figure 9-23: Subordinations Carried Over Detail Report

To generate this report:

Step 1. Click on the **report link** on the left menu and the report search screen will display.

Step 2. To narrow the results of your report, you can filter by:
o Product Type (You can also leave this blank to run a report for all product types).
o Period (Date Range)

Step 3. To limit your report if necessary, expand the selection boxes for:
o Lender name
o Servicer name
o Investor Name
o Case Status
o Case Sub-status

     o   Click the Execute PDF or Execute Excel link.

For the selected criteria, the following fields are displayed:

Product Type, FHA Case #, Loan skey, lender loan number, Borrower Name, Subordination Status, Timeline Status, Package Received Scheduled Date, Package Received Completed Date, and Step Status.

9.6.17   Title Approval Denied

The Title Approval Denied report enables authorized users to view the loans that have the Denied Title Approval step completed in the Claim Type 22 timeline.

Figure 9-24: Title Approval Denied Report

To generate this report:

Step 1. Click on the **report link** on the left menu and the report search screen will display.

Step 2. To narrow the results of your report, you can filter by:
    o   Product Type
    o   State
    o   Box #
    o   Closed Transaction Date Range

Step 3. To limit your report if necessary, expand the selection boxes for:
    o   Lender Names
    o   Servicer Names
    o   Investor Names
    o   Case Statuses
    o   Case Sub-statuses

Step 4. Click the **Execute PDF** or **Execute Excel** link.

For the selected criteria, this report shows the following fields:

Lender name, servicer name, investor name, case status, case sub-status, product type, denied step completion date, FAH case #, loan Skey, lender loan #, borrower name, title package received date, package denied completion date, prior servicer and reason for denial.

9.6.18   Transaction Activity

The Transaction Activity Report enables authorized users to view the transaction activities on a specific FHA Case # or list of FHA case numbers with a specific activity type. The transaction activity has a option to select only HUD NSC transactions during Search.

Figure 9-25: Transaction Activity Report

To generate this report:

Step 1. Click on the **report link** on the left menu and the report search screen will display.

Step 2. To narrow the results of your report, you can filter by:
- o Loan Skey or FHA Case # (At least one is required)
- o Product Type
- o Transaction Date (Required; cannot exceed 30 days)

Step 3. To limit your report if necessary, expand the selection boxes for:
- o Transaction Types
- o Transaction Categories
- o Transactions Codes
- o Case Statuses
- o Case Sub-Statuses

o Alerts

Step 4. Click the **Execute PDF** or **Execute Excel** link.

For the selected criteria, this report shows the following fields:

Transaction type, transaction category, transation code, case status, case sub-status, loan skey, FHA case #, product type, transaction date specified, loan skey, FHA case #, trans date, effective date, principal amount, interest amount, MIP amount, claim amount, service fee amount, taxes and insurance withheld, service fee set aside amount, first year set aside amount, repair set aside amount, corporate advance amount, other set aside amount, principal limit amount, credit line amount, unscheduled CL disb, int and MIP amt, total transaction amount, post status, create date, create by.

9.6.19   HUD Monthly Count

The HUD Monthly Count Report enables authorized users to view the monthly loan count by category.

Figure 9-26: HUD Monthly Count Report

To generate this report:

Step 1. Click on the **report link** on the left menu and the report search screen will display.

Step 2. To narrow the results of your report, you can filter by:
o Selecting a month in **Reporting Period**
o Selecting a Loan Program as HECM Assigned

Step 3. Click the **Execute PDF** link.

For the selected criteria, the following information is displayed:

The loan count information by activity, monthly and cumulative (for the fiscal year) and for current month, the following sections: Loan Inventory, Partial Release Summary, Release Summary, Payoff Summary, Due & Payable Summary, Extension Summary, and Preservation & Protection Summary.

The Loan Inventory (Month Counts) is displayed as a pie chart and Release Summary is displayed as a bar graph.

9.6.20   HUD Monthly Director Report – HECM Assigned Detail

This report enables the authorized user to view the detailed report for HECM Assigned loans month by month for a period during the selected fiscal year.
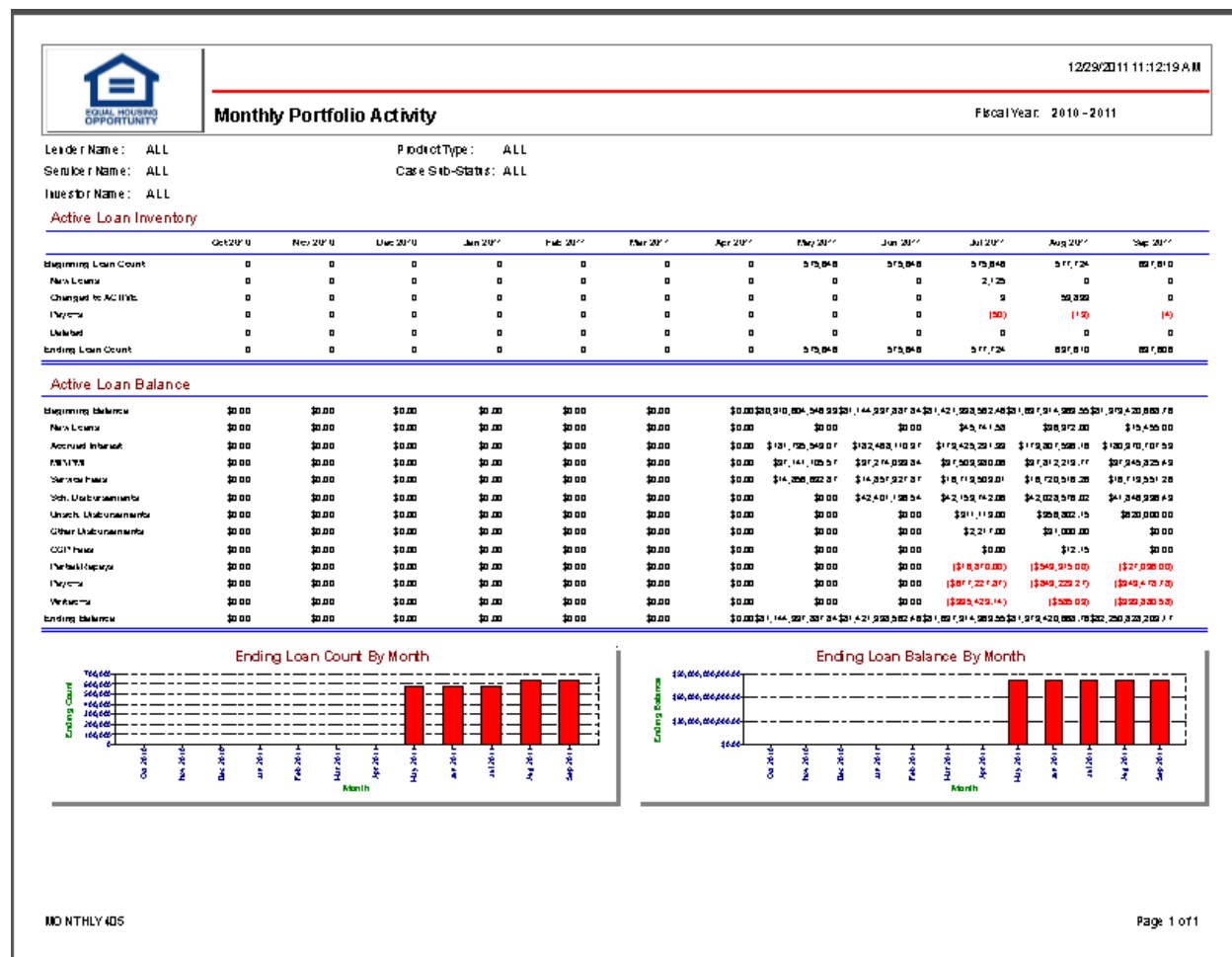

Figure 9-27: HUD Monthly Director Report

To generate this report:

Step 1. Click on the **report link** on the left menu and the report search screen will display.

Step 2. Select a year in the **Fiscal Year** dropdown.

Step 3. Click the **Execute PDF** or **Execute Excel** link.

For the selected criteria, this report shows the following fields:

- For Loan Inventory: Beginning Open Loans, New Loans, Loans Changed to Open, Closed Loans (Inventory Reduction), and Loans Deleted (Other Adjustments).
- For Loan Balance: Beginning Loan Balance, New Loans, Payments – Increases (Credit Line Payment Amount, Monthly Payment Amount and Other Balance Increases), Total Increases, Collections – Decreases (Full Payoff of Debt, Compromised Payoff, Other Collections Amount, and Other Balance Decreases). Total Decreases (Write-offs, FCL Amount, DIL Amount, and Other Adjustments), and Total Increase/ Decreases.
- For Eligible for Disbursements to Borrowers (Counts): Credit Line Payments, Monthly Payments, Without Credit or Monthly Payments, and Average Amount Disbursed.
- For Servicing Activity: Loans NOI Issued, Loans in FCL Process, Loans Conveyed, and Other Loans in Default.
- For Pending Assignments: Pending Assignments Payments, Pending Assignments No Payments, Totals, and Loan Balance of Pending.
- For Ratios: Average Value per Loan, Book Value of Payoffs, and Payoff Recovery Ratio.
- The Ending Open Loans and Ending Open Loans are summarized with graph of column.

9.6.21 Month-End Trial Balance Detail

This report enables authorized users to view the detailed information on month-end trial loan balance.

Figure 9-28: Month End Trial Balance Report (Excerpts)

To generate this report:

Step 1. Click on the **report link** on the left menu and the report search screen will display.

Step 2. To narrow the results of your report, you can filter by product type or reporting period:
- o Select a month from **Reporting Period** dropdown.
- o If necessary, select the checkbox for **Exclude Loans Paid-Off in Prior Months**.
- o If necessary, limit your selection by choosing case statuses and sub-status.

Step 3. Click the **Execute PDF** or **Execute Excel** link.

The report displays the selected the names of product type, case status and case sub-statuses, and the following information: Loan Skey, Case Status, FHA Case, #Borrower Last Name, Prop. State, Prev. Int. Rate, Margin, Funded Date, Prior Month Loan Balance.

The report displays the following information for the current month:

Loan Setup Amount, Scheduled Disbursements, Unscheduled Disbursements, Partial Repayments, MIP/PMI, Service Fee, COP Fee, Interest, Payoffs, Write-offs, and Ending Loan Balance.

9.6.22   Monthly Activity Detail

This report enables authorized users to view the detailed information on monthly activities of the loans queried.
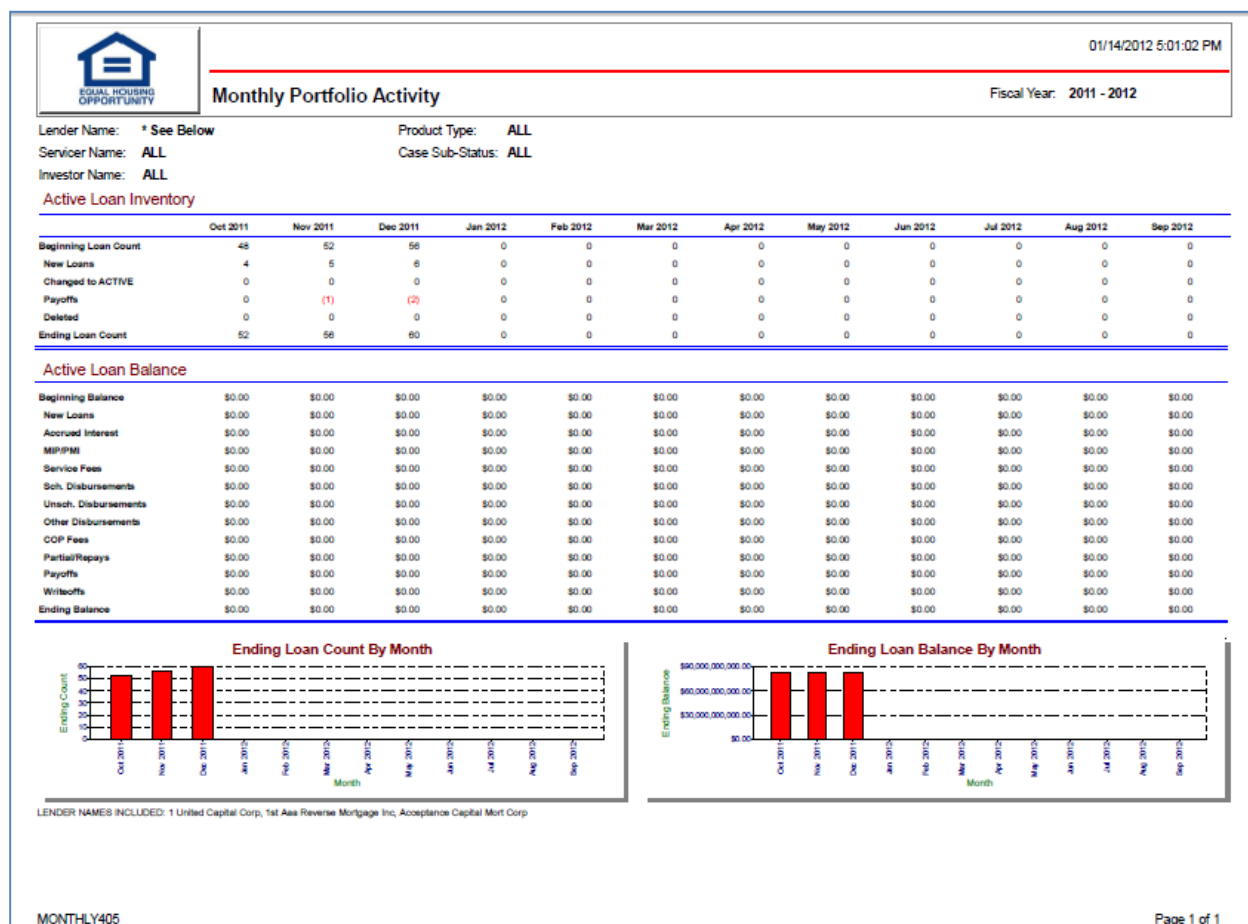

Figure 9-29: Monthly Activity Detail Report

To generate this report:

Step 1. Click on the **report link** on the left menu and the report search screen will display.

Step 2. To narrow the results of your report, you can filter by:
- o Select a month as desired from the **Reporting Period** dropdown list.

Step 3. Click the **Execute PDF** link.

For the selected criteria, this report shows the following fields:

Reporting period as selected, servicing type, servicing step, completion date, loan Skey, lender, Loan #, FHA case #, borrower, property address, and property state.

9.6.23   Monthly Claims Paid

This report provides authorized users with a list of loans on which the claims were paid in the period of Claim Paid Date defined by the user.

Figure 9-30: Monthly Claims Paid Report

To generate this report:

Step 1. Click on the **report link** on the left menu and the report search screen will display.

Step 2. To narrow the results of your report, you can filter by:
- o Claim Paid Date range (required)
- o Product Type (optional) to limit the selection. Without selection, all product types will be included in the report.

Step 3. Click the **Execute PDF** or **Execute Excel** link.

For the selected criteria, this report shows the following fields:

Loan Skey, FHA Case No, Loan Status, ADP Code, Claims Paid Amount, MIC Date, Claim Paid Date, Product Type, Borrower Name, Create User ID, Create Date, Maint User ID, and Maint Date.

9.6.24   Monthly Portfolio Activity

This report provides authorized users with monthly portfolio activities on the active loan inventory and the active loan balance in a fiscal year.

Figure 9-31: Monthly Portfolio Activity Report

To generate this report:

> Step 1. Click on the **report link** on the left menu and the report search screen will display.

> Step 2. To narrow the results of your report, you can filter by:
> - Select a fiscal year

> Step 3. To limit your report if necessary, expand the selection boxes for:
> - Lender names
> - Servicer names
> - Investor names
> - Case sub-statuses
> - Product types

> Step 4. Click the **Execute PDF** link.

9.7 Management and Budgetary Reports

The following Management and Budgetary reports are available:
- Monthly Cohort Summary
- Monthly Portfolio Activity
- Monthly Statistical Summary
- Repayment Plan (This is part of Daily Reports)

9.7.1 Monthly Cohort Summary

The Monthly Cohort Summary Report enables authorized users to view the detailed loan count, maximum claim amount for all the cohort years, current fiscal year and the current reporting month.

Reporting Period: November 2011

	Cumulative Through 11/30/2011		Fiscal Year 10/01/2011 - 09/30/2012			Month of 11/30/2011		
Cohort Year	Loans	Max Claim Amount	Loans	Max Claim Amount	Average Per Loan	Loans	Max Claim Amount	Outstanding Balance
1990	130	$10,919,968.00	0	$0.00	$0.00	55	$4,461,500.00	$151,559.91
1991	333	$32,559,350.00	0	$0.00	$0.00	116	$11,001,850.00	$607,915.08
1992	868	$84,364,600.00	0	$0.00	$0.00	330	$32,335,175.00	$2,177,066.69
1993	1,651	$161,386,475.00	0	$0.00	$0.00	639	$61,487,625.00	$4,086,460.44
1994	2,903	$300,785,450.00	0	$0.00	$0.00	1183	$121,035,650.00	$7,113,884.01
1995	3,705	$390,098,388.00	0	$0.00	$0.00	1664	$170,947,379.00	$14,710,033.62
1996	3,289	$339,138,907.00	0	$0.00	$0.00	1405	$143,597,017.00	$12,187,060.79
1997	4,830	$507,241,941.00	0	$0.00	$0.00	1979	$204,150,495.00	$23,675,380.82
1998	7,548	$804,359,475.00	0	$0.00	$0.00	3249	$343,365,564.00	$66,802,269.49
1999	7,685	$903,458,844.00	0	$0.00	$0.00	3178	$366,034,684.00	$89,723,604.15
2000	6,564	$817,577,738.00	0	$0.00	$0.00	3128	$382,307,999.00	$110,473,968.72
2001	7,708	$1,081,191,831.00	0	$0.00	$0.00	3939	$541,575,163.00	$185,855,625.63
2002	12,909	$1,951,280,337.00	0	$0.00	$0.00	7419	$1,108,338,120.00	$431,908,197.11
2003	17,859	$2,960,538,204.00	0	$0.00	$0.00	10297	$1,704,584,143.00	$813,849,073.86
2004	37,153	$6,751,068,411.00	0	$0.00	$0.00	24705	$4,436,399,420.00	$2,289,465,501.50
2005	42,075	$8,646,157,778.00	0	$0.00	$0.00	32259	$6,589,908,375.00	$4,008,266,232.60
2006	73,915	$17,376,415,638.00	0	$0.00	$0.00	63686	$14,922,482,507.00	$9,236,846,221.13
2007	104,137	$23,820,657,453.00	0	$0.00	$0.00	95895	$21,850,186,119.00	$13,417,076,354.77
2008	109,574	$23,667,606,952.00	0	$0.00	$0.00	103303	$22,156,995,366.00	$13,957,634,107.23
2009	112,617	$29,563,916,433.00	0	$0.00	$0.00	107908	$28,168,828,354.00	$17,422,467,557.02
2010	78,259	$20,805,415,589.00	0	$0.00	$0.00	76493	$20,275,254,575.00	$12,446,863,203.21
2011	44,832	$11,314,263,746.00	0	$0.00	$0.00	44684	$11,269,955,946.00	$6,200,483,316.75
Grand Total:	680,544	$152,290,403,508.00	0	$0.00		587,514	$134,865,233,026.00	$80,742,424,594.53
TOTAL GI FUND:	602,285	$131,484,987,919.00	0	$0.00		511,021	$114,589,978,451.00	$68,295,561,391.32
TOTAL MMI FUND:	78,259	$20,805,415,589.00	0	$0.00		76,493	$20,275,254,575.00	$12,446,863,203.21

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Cohort Summary Report

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Figure 9-32: Monthly Cohort Summary Report

To generate this report:

Step 1. Click on the **report link** on the left menu and the report search screen will display.

Step 2. To narrow the results of your report, you can filter by:
- Selecting a month and year from the **Reporting Period** dropdown box (the current month end is defaulted as the reporting period).

Step 3. Click the **Execute PDF** or **Execute Excel** link.

For the reporting period you selected, this report shows: The cumulative number of loans, the maximum claim amount, for each of the cohort year until the fiscal year; the number of loans, the maximum claim amount, and average per loan for the fiscal year; and the number of loans, the maximum claim amount, and outstanding balance for the current reporting month. For each of these time frames, the report totals each of these amounts and segregates by the fund code.

9.7.2   Monthly Portfolio Activity

The Monthly Portfolio Activity Report enables authorized users to view the detailed loan count and loan balance for each month for the selected fiscal year.

Figure 9-33: Monthly Portfolio Activity Report

To generate this report:

Step 1. Click on the **report link** on the left menu and the report search screen will display.

Step 2. Select a fiscal year from the dropdown box.

Step 3. To limit your report if necessary, expand the selection boxes for:
- Lender names
- Servicer names
- Investor names
- Case sub-statuses

o Product types

Step 4. Click the **Execute PDF** link.

For the fiscal year you selected, the following data is displayed for each month:

- For Active Loan Inventory (counts): Beginning Loan Count, New Loans, Changes to Active, Payoffs, Deleted, and Ending Loan Count.
- For Active Loan Balance (amounts): Beginning Balance, New Loans, Accrued Interest, MIP Service Fee, Scheduled Disbursements, Unscheduled Disbursements, Other Disbursements, and COP Fees.
- Partial Repays
- Payoffs
- Write Offs
- Ending Balance

In addition, a bar chart is displayed to show the changes for each month for the loan count and loan balance.

9.7.3   Monthly Statistical Summary

The Monthly Statistical Summary Report enables authorized users to view by each pay plan the detailed loan count, maximum claim amount for the current fiscal year, the current reporting month, and the cumulative numbers up to the current fiscal year.

Monthly Statistical Summary

12/29/2011 10:59:19 AM

Reporting Period: November 2011

Pay Plan Type	Cumulative Through 11/30/2011			Fiscal Year 10/01/2011 - 09/30/2012			Month of 11/30/2011			
	Loan c	Max Claim Amount	Average Per Loan	Loan c	Max Claim Amount	Average Per Loan	Loan c	Max Claim Amount	Average Per Loan	Outclanding Balance
Modified Tenure	26,929	$6,870,100,768.00	$255,119.05	0	$0.00	$0.00	0	$0.00	$0.00	$0.00
Tenure	18,582	$4,382,119,815.00	$236,364.21	0	$0.00	$0.00	0	$0.00	$0.00	$0.00
Line of Credit	599,947	$133,360,960,437.00	$222,287.96	0	$0.00	$0.00	0	$0.00	$0.00	$0.00
Modified Term	25,602	$5,751,772,664.00	$224,661.07	0	$0.00	$0.00	0	$0.00	$0.00	$0.00
Term	9,483	$1,915,308,627.00	$201,976.13	0	$0.00	$0.00	0	$0.00	$0.00	$0.00
Grand Total:	680,543	$152,290,326,311.00	$223,777.67	0	$0.00		0	$0.00		$0.00

MONTHLY396

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Figure 9-34: Monthly Statistical Summary Report

To generate this report:

Step 1. Click on the **report link** on the left menu and the report search screen will display.

Step 2. Select the following criteria:
   o Select a month and year from the **Reporting Period** dropdown box (the current month end is defaulted as the reporting period)

Step 3. Click the **Execute PDF** or **Execute Excel** link.

For the reporting period you selected, this report displays:

For each type of pay plan, the number of loans on that pay plan, the maximum claim amount, and the average per loan.

These amounts are shown based on cumulative totals through the end of the month you selected, the current fiscal year, and the month itself (also displays the outstanding loan balance). For each of these time frames, the report totals each of these amounts.

9.7.4   Repayment Plan

The Repayment Plan Report enables authorized users to view the repayment plan details on all loans, regardless of case status.

Figure 9-35: Repayment Plan Report

To generate this report:

Step 1. Click on the **report link** on the left menu and the report search screen will display.

Step 2. To narrow the results of your report, you can filter by:
- o Loan Skey
- o FHA Case#

Step 3. To limit your report if necessary, expand the selection boxes for the following:
- o Repayment Status
- o Case Statuses
- o Servicer Name
- o Create Date

Step 4. Click the **Execute PDF** or **Execute Excel** link.

For the selected criteria, the following fields are displayed on the report:

FHA Case #, Loan Skey, Case Status, Case Sub Status, Create date, Product Type, Servicer Name, Servicer Mortgagee Number, Repayment Plan Status Description, Outstanding Total Arrearage, Monthly Surplus Income, Repayment Plan Term, Monthly Payment Amount, Next Payment Due Date, Payments Remaining, Hardship Experienced, Repayment Plan Start Date, Repayment Plan End Date.

9.8   Servicer Reports

The following Servicer reports are available:
- Claims Detail
- Default Key Dates

9.8.1   Claims Detail

The Claims Detail Report will be available to servicers to obtain "claim related data" on filed claims specific to their portfolio. This report will help the industry analyze claim details and assist in banking reconciliation. It is only available in an Excel format.

Figure 9-366: Claims Detail Report

To generate this report:

Step 1. Click on the **report link** on the left menu and the report search screen will display.

Step 2. For Servicers, Servicer Name will be pre-populated. Enter filters for **FHA Case #** or **Transaction Date** range as desired.

Step 3. To narrow the results of your report, you can filter by:
- o   FHA Case #
- o   A Claim Filed Date range
- o   Claim Type
- o   Claim Status

Step 4. Click the **Execute Excel** link.

For the Claim Filed Date range you selected, this report shows the following fields: the HERMIT loan skey; the FHA case number; the servicer name; the investor name; the claim type; the claim   status; the claim filed date; the claim approved settlement date; the claim paid date; the debenture interest "from" date on AOP; the debenture interest "to" date on AOP; the curtailment date; the debenture interest rate for the loan on the AOP, the UPB amount/Block #17/the outstanding balance amount

on the AOP Form; the adjustment to outstanding balance amount on the AOP form; the UPB debenture interest amount; the net UPB Amount; the debenture interest amount; the expense amount; the sales_appraisal amount; the claim paid amount; the max claim amount; the claim AOP comment; the case status; the case sub_status; the approved style; the ADP code; the claim pended date.

9.8.2   Default Key Dates

The Default Key Dates Report will be available to servicers to help them obtain "key default data" events on loans specific to their portfolio. The servicing industry must report via HERMIT related key servicing events, and this report will help identify failed reporting events and confirm/reconcile reported events. It will assist with timely and accurate servicing activity reporting into HERMIT, resulting in better quality reporting for HUD. It is only available in an Excel format.

Figure 9-377: Default Key Dates Report

To generate this report:

Step 1. Click on the **report link** on the left menu and the report search screen will display.

Step 2. Select a Servicer Name.

Step 3. To narrow the results of your report, you can filter by:
- o   FHA Case #
- o   A Default Date range
- o   D&P w/o HUD Approval, Default Reason
- o   D&P with HUD Approval, Default Reason
- o   Case Sub-Status

Step 4. Click the **Execute Excel** link.

For the Servicer Name and any additional criterial you selected, this report shows the following fields: Servicer Mortgagee Number; Servicer Name; HERMIT Loan Skey; FHA Case Number; State Code; Case Status; Case Sub Status; Due & Payable Without HUD Approval Create Date; Due & Payable

Without HUD Approval Default Date; Due & Payable Without HUD Approval Default Reason; Due & Payable Without HUD Approval Notification of Default to HUD; Death Date of last Borrower; Due & Payable Without HUD Approval Obtain Appraisal Date; Due & Payable with HUD Approval Create Date; Due & Payable with HUD Approval Decision Approved Date; Due & Payable with HUD Approval Disp Event Notified Date; Due & Payable with HUD Approval Default Date; Due & Payable with HUD Approval Default Reason; Due & Payable with HUD Approval Upload D_P Package Date; Due & Payable with HUD Approval Pend Info Sched Date; Due & Payable with HUD Approval Pend Info Step Note; Due & Payable with HUD Approval Pend Info Complet Date; Due & Payable with HUD Approval Notification Sent to Borrower; Due & Payable with HUD Approval Obtain Appraisal Date; Loss Mit Pre FCL Create Date; Loss Mit Pre FCL _ First Legal Date; Loss Mit Pre FCL_Notice Sent to HUD; Foreclosure Create Date; FCL_Obt 15Day FCL Sale Appraisal Date; FCL _ FCL Sale Scheduled Date; FCL _ FCL Sale Completion Date; FCL _ Final Marketable Title; Loss Mit_DIL Record Deed Received Date; Repayment Start Date; Repayment End Date; Monthly Surplus Income; Outstanding Total Arrearage; Repayment Plan Term in months; Num of Remaining Payments; Monthly Payment Amount; Next Monthly Due Date; Hardship Experienced; Hardship Reason; Ext_Claim Filing Serv Init Ext; Ext_Claim Filing HUD Decision Appr; Ext_Claim Filing Expiration Date; Ext_Claim Filing Reason for Req; Ext_Repairs Servicer Init Ext; Ext_Repairs HUD Decision Appr; Ext_Repairs Expiration Date; Ext_Repairs Reason for Req; Ext_Req to Delay FCL Servicer Initiate Ext; Ext_Req to Delay FCL HUD Decision Appr; Ext_Req to Delay FCL Expiration Date; Ext_Req to Delay FCL Reason for Req; Ext_Deed_in_Lieu Servicer Initiate Ext; Ext_Deed_in_Lieu HUD Decision Appr; Ext_Deed_in_Lieu Expiration Date; Ext_Deed_in_Lieu Reason for Request; Ext_Late Not of Death Serv Initiate Ext; Ext_Late Not of Death HUD Decision Appr; Ext_Late Not of Death Expiration Date; Ext_Late Not of Death Reason for Request; Ext_Hard Hit Fund Servicer Initiate Ext; Ext_Hard Hit Fund HUD Decision Appr; Ext_Hard Hit Fund Expiration Date; Ext_Hard Hit Fund Reason for Req; Ext_Prop Chrg Loss Mit Serv Initiate Ext; Ext_Prop Chrg Loss Mit HUD Decision Appr; Ext_Prop Chrg Loss Mit Expiration Date; Ext_Prop Chrg Loss Mit Reason for Req; Ext_Appraisal Servicer Initiate Ext; Ext_Appraisal HUD Decision Appr; Ext_Appraisal Expiration Date; Ext_Appraisal Reason for Req; Ext_Other Servicer Initiate Ext; Ext_Other HUD Decision Appr; Ext_Other Expiration Date; Ext_Other Reason for Req; D_P with HUD Inactive Rescission Date; Loss Mit_Short Sale Recvd Cls Proc Date; Foreclosure Refer To counsel Date; BNK Chapter 13 Filed Date; BNK Chapter 13 Discharge Date; BNK Chapter 13 Dismissed Date; BNK Chapter 7 Filed Date; BNK Chapter 7 Discharge Date; BNK Chapter 7 Dismissed Date; CT 21_Claim Filed Date; CT 21_Claim Appr Settement Date; CT 21_Claim Paid Amt; CT 23_Claim Filed Date; CT 23_Claim Appr Settement Date; CT 23_Claim Paid Amt; CT 24_Claim Filed Date; CT 24_Claim Appr Settement Date; CT 24_Claim Paid Amt.

9.9   HERMIT Support

All HERMIT Support reports are based on daily data. The following reports are available:
- Accounting Exceptions
- Audit Tracking – Non Loan
- CHUMS Exception
- File Upload Exception

9.9.1   Accounting Exceptions

The Accounting Exception Report enables authorized users to generate the errors generated while processing an inbound interface file from the Accounting Module.

Figure 9-38: Accounting Exceptions Report

To generate this report:

Step 1. Click on the **report link** on the left menu and the report search screen will display.

Step 2. Select the following criteria from the Batch Category box:
- o Batch Category
- o Batch Skey/Customer ID
- o Create Date (Date Range)

Step 3. Select the following criteria from Message Sub Category box:
- o Message Sub Category
- o Message Type
- o Message Column

Step 4. Click the **Execute PDF** or **Execute Excel** link.

For the selected criteria, this report shows the following fields:

Batch Category, the Batch Skey/Customer ID, message type and date range, the date and time the exceptions were created, the date and time they were sent to the GL, the servicer/investor name, and the error type.

9.9.2   Audit Tracking – Non Loan

The Audit Tracking – Non Loan Report enables authorized users to generate the report on updates not associated with the loan. The system inclusion covers the updates due to batch jobs.

Figure 9-39: Audit Tracking – Non Loan Report

To generate this report:

Step 1. Click on the **report link** on the left menu and the report search screen will display.

Step 2. Select the following criteria:

Step 3. From the **Changed By** dropdown box, select a name. (To see activity by all users, leave this field blank).

Step 4. In the **Change Dates** fields, select start and end dates (or to see all activity unconstrained by date, leave these fields blank). The range cannot exceed 30 days.

Step 5. For the Include Changes Made by the System checkbox, uncheck the checkbox if you want to exclude system changes from the report.

Step 6. Click the **Execute PDF** or **Execute Excel** link.

For the selected criteria, this report shows the following fields:

Changes made by the system and/or users during the dates you selected, the type of audit, the new and old value, the entity making the change, and the date and time the change occurred.

9.9.3   CHUMS Exception

The CHUMS Exception Report enables authorized users to generate the errors displayed during the processing of the CHUMS inbound file.

Figure 9-40: CHUMS Exception Report

To generate this report:

Step 1. Click on the **report link** on the left menu and the report search screen will display.

Step 2. Select the following criteria:

Step 3. The Create Date field is automatically populated by today's date and the previous day's date. (You can change this if necessary). The range cannot exceed 90 days.

Step 4. To restrict your report, you may also enter
   o   An FHA case #:
   o   Message type (Critical error or general warning)
   o   The text of an error message (the message column)

Step 5. Click the Execute PDF or Execute Excel link.

For the selected criteria, this report displays the following fields for the date the report was created:

All errors generated while processing the CHUMS file. The FHA case number, the date and time the error occurred, and the message type are shown.

9.9.4 File Upload Exception

The File Upload Exception Report enables authorized users to generate the errors displayed during the batch upload for the following B2G files:
- Loan Setup
- Servicer Transfer
- Transactions

Figure 9-41: File Upload Exception Report

To generate this report:

Step 1. Click on the **report link** on the left menu and the report search screen will display.

Step 2. Select the following criteria:
  - o At a minimum, enter either **FHA Case** # or a **Request Date** range. The range cannot exceed 90 days.

Step 3. To further narrow the results of your report, you may also select a transaction and an error code.

Step 4. Click the **Execute PDF** or **Execute Excel** link.

For the selected criteria, this report shows the following fields:

For FHA Case, request date range, transaction and error, the file names, user IDs, error types, text of the error messages, and the request date and time for each upload exception.

CHAPTER 10: ADMIN FUNCTIONS

10. ADMIN FUNCTIONS

This chapter discusses the administrative functions available in the Servicing Module:

- **Admin Functions Overview**
- **Common Functionality**
- **Alerts Screen**
- **Announcements Screen**
- **County Clerks Screen**
- **Helpful Links Screen**
- **Investor Screen**
- **Lender Screen**
- **Servicers Screen**
- **Petitioners Screen**
- **Tax Authorities Screen**
- **Vendors Screen**

10.1 Admin Functions Overview

The Admin tab allows authorized users to manage certain functions in the system. These functions will be explained in detail in this section. This tab will be limited to a small number of HUD users.
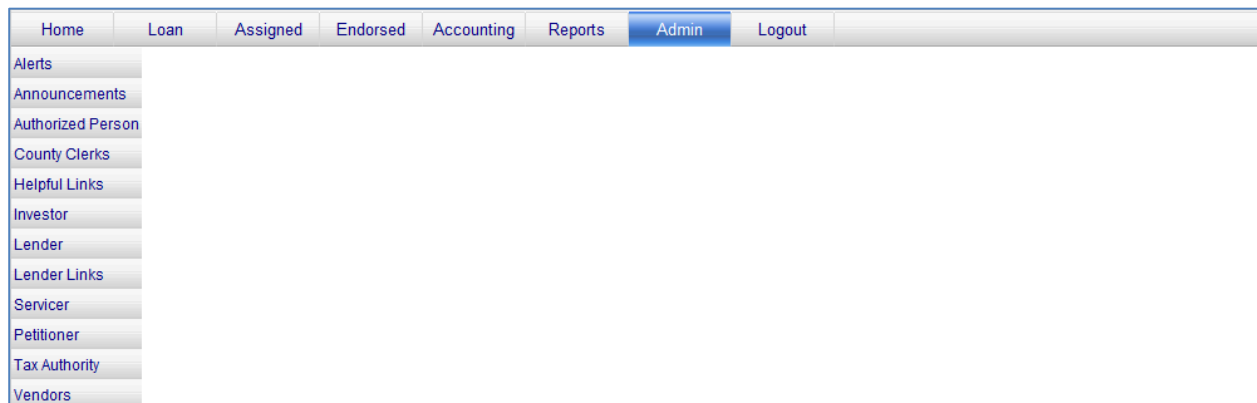
Figure 10-1: Admin Tab

The **Admin** tab enables authorized users to manage the functions listed below:

Function	Description
Alerts	Add new manual alerts, edit or inactivate an existing alert. These alerts are displayed on the alerts screen.
Announcements	Add new announcements, edit or inactivate an existing announcement related to HUD and its reverse mortgage program. The announcements are displayed on the Servicing Module home page under the Announcements section.
Helpful links	Add new links, edit or inactivate an existing link related to HUD and its reverse mortgage program. The links are displayed on the Servicing Module home page under Helpful Links section, displayed on the HERMIT home page.
Update Business partners	Add, edit or inactivate HUD Business Partner related to HECM loan processing: • Investors • Lenders • Servicers • Petitioners • Tax Authority • Vendors • County Clerks

Table 10-1: Admin Functions

10.2   Common Functionality

Most maintenance tasks are performed in general the same way as described below.

Step 1. After logging into the system, click the **Admin** tab.

Step 2. From the navigation bar on the left, select a task and a table will be displayed with the type of admin task you selected.

You now can now:

- Restrict your search by applying various filters. (The criteria vary and are discussed below).
- Export the search results to Excel (except Lender Links)
- Sort the search results by a column
- Create a new record (except Lender Links)

10.2.1   Restricting a Search (General Instructions)

Various search filters are associated with each type of task.

To restrict (filter) your search results:

Step 1. Complete one of more of the fields at the top of the screen.

Step 2. Click **Filter**.

10.2.2   Sorting the Search Results by Column (General Instructions)

You can sort the table for any task by clicking on the column header.

10.2.3   Exporting your Search Results to Excel (General Instructions)

You can export the table of results in .xls format. Exporting to a spreadsheet application enables you to work with the data or import it into some external database applications.

To export the table to Excel:

Step 1. Filter or sort the table if desired.

Step 2. Click the Export to Excel link.

Step 3. Follow the prompts to save or open the file.

10.2.4   Create a New Record (General Instructions)

To create a record:

Step 1. Click the **New** button.

Step 2. Fill in (at a minimum) the required fields and click **OK**. The tab information table is displayed and the record will be added to the table.

Specific instructions for creating a record for each type of admin task are discussed later in this chapter.

10.2.5   Editing an Existing Record

To edit a record:

Step 1. Click a record from the table.

Step 2. Edit the desired fields and then click **OK**. The tab information table will display and the edited record will be displayed in the table.

Specific instructions for editing a record each type of admin task are discussed later in this chapter.

10.3   Alerts Screen

This screen enables authorized users to add new alerts manually, or to edit or inactivate an existing alert. Upon the addition of new alert, authorized users can select the new alert from the alerts drop down list and add it on a loan. You cannot delete an alert. An alert that should no longer be used should be changed to inactive.

Figure 10-2: Alerts Screen

10.3.1   Filtering Alerts

Alerts can be filtered by:
- Alert type
- Description
- Severity
- Status

10.3.2   Sorting Alerts

Alerts can be sorted by:
- Alert Type Skey
- Alert Type Name
- Alert Severity
- Status
- Created By
- Create Date
- Maintained by
- Maintenance date

10.3.3   Creating an Alert

To create a new alert:

Step 1. Click the **Alerts** tab and click **New**. The **Alert** screen is displayed so the user can create a new alert.

Figure 10-3: Creating an Alert

Step 2. On the dialog box, for Alert Type Information, specify:
- o   The status of the alert (Active, Inactive, or System Generated)
- o   The name of the alert
- o   The severity (General Tracking or Critical)

Step 3. Click **OK.**

10.3.4   Editing an Alert

You can edit all fields for alerts except Alert Type Skey and audit information.

Step 1. Click on a record in the table and the **Edit Alerts** screen will be displayed.

Figure 10-4: Editing an Alert

Step 2. Modify the information you need to edit and click the **OK** button. The **Alerts** tab record table with the edited record will be displayed in the table.

10.4   Announcements Screen

This screen enables authorized users to add new announcements, or to edit or inactivate an existing announcement related to HUD and its reverse mortgage program. The announcements with an active status and an expiration date greater than the current system date are displayed on the Home page under the Announcements section. You cannot delete an announcement. An announcement that should no longer be used should be changed to Inactive.

Figure 10-5: Announcements Screen

10.4.1   Filtering Announcements

Announcements can be filtered by:
- Description
- Posted Date
- Status
- Expiration Date

10.4.2   Sorting Announcements

Announcements can be sorted by:
- Skey
- Description
- Posted Date
- Expiration Date
- Status
- Created By
- Create Date

10.4.3 Creating an Announcement

To create an announcement:

Step 1. Click **New.** The **Announcements** screen will display so the user can create an announcement.

Figure 10-6: Creating an Announcement

Step 2. Enter:
- o Status (Select either Active or Inactive)
- o Posted Date (The day the announcement should appear on the site)
- o Expiration Date (The date the announcement should be removed from the site)
- o Description (The text of the announcement)

Step 3. Click **OK.**

10.4.4 Editing an Announcement

You can edit all fields for announcements except audit information.

Step 1. Click on a record in the table and the **Announcements** screen will be displayed.

Figure 10-7: Editing an Announcement

Step 2. Modify the information you need to edit and click the **OK** button. The **Announcements** tab record table with the edited record will be displayed in the table.

10.5 County Clerks Screen

This screen enables authorized users to add county clerks, or to edit or inactivate a county clerk.

These are the clerks of court for the county in which the mortgaged property is located. You cannot delete a county clerk. A county clerk that should no longer be used should be changed to Inactive.

Figure 10-8: County Clerks Screen

10.5.1   Filtering County Clerks

County clerks can be filtered by:
*   County Clerk Name
*   State
*   Status

10.5.2   Sorting County Clerks

County clerks can be sorted by:
*   County Clerk Skey
*   County Clerk Name
*   POA Recorded Date
*   POA Book No
*   POA Page No
*   POA Instrument No
*   Pay To Name
*   Attention To
*   County Address1
*   County Address2
*   County State
*   County Zip
*   POA Sent For Recording Date
*   Recording Fee Info
*   Status
*   Created By
*   Create Date
*   Maint By
*   Maint Date
*   First Page Rec Fee Amt
*   Additional Page Rec Fee Amt
*   Customer ID

10.5.3 Creating a County Clerk

To create a county clerk record:

Step 1. Click **New**. The **County Clerks** screen will display so the user can add a new county clerk.

Figure 10-9: Creating a County Clerk

Step 2. Enter the following information
- o Status
- o County Clerk Name (required)
- o POA Recorded Date
- o POA Book No
- o POA Page No
- o POA Instrument No
- o Pay To Name
- o Attention To
- o POA Sent For Recording Date
- o Recording Fee Info
- o First Page Rec Fee Amt
- o Additional Page Rec Fee Amt
- o Address1 (required)
- o Address2

Step 3. Click **OK.**

10.5.4 Editing a County Clerk

You can edit all fields except county clerk skey, customer ID, and audit information.

Step 1. Click on a record in the table and the **County Clerk** screen will be displayed.

Figure 10-10: Editing a County Clerk

Step 2. Modify the information you need to edit and click the **OK** button. The **County Clerk** tab record table with the edited record will be displayed in the table.

10.6   Helpful Links Screen

This screen enables authorized users to add new links, or to edit or inactivate an existing link related to HUD and its reverse mortgage program. The links with active status and expiration date greater than the current system date are displayed on the Home page under the Helpful Links section. You cannot delete a link. A link that should no longer be used should be changed to Inactive.

Figure 10-11: Helpful Links Screen

10.6.1   Filtering Helpful Links

You can filter Helpful Links by:
- Link Text
- Posted Date
- Status
- Expiration Date

10.6.2   Sorting Helpful Links

You can sort Helpful Links by:
- Skey
- Description
- Link URL
- Link Text
- Posted Date
- Expiration Date
- Status
- Created By
- Create Date
- Changed By
- Change Date

10.6.3   Creating Helpful Links

Step 1. Click **New.** The **Helpful Links** screen is displayed so the user can create a link.

Figure 10-12: Creating a Helpful Link

Step 2. Enter the following information:
- o Status
- o Posted Date
- o Expiration Date
- o Link URL (required)
- o Link Text (required)
- o Description

Step 3. Click **OK**.

10.6.4   Editing a Helpful Link

You can edit all fields except for audit information.

Step 1. Click on a record in the table and the **Helpful Link** screen will be displayed.

Figure 10-13: Editing a Helpful Link

Step 2. Modify the information you need to edit and click the OK button. The Helpful Link tab record table with the edited record will be displayed in the table.

10.7   Investor Screen

This screen allows the authorized user to add a new Investor, edit or inactivate an Investor. You cannot delete an investor. An investor that should no longer be used should be changed to Inactive.
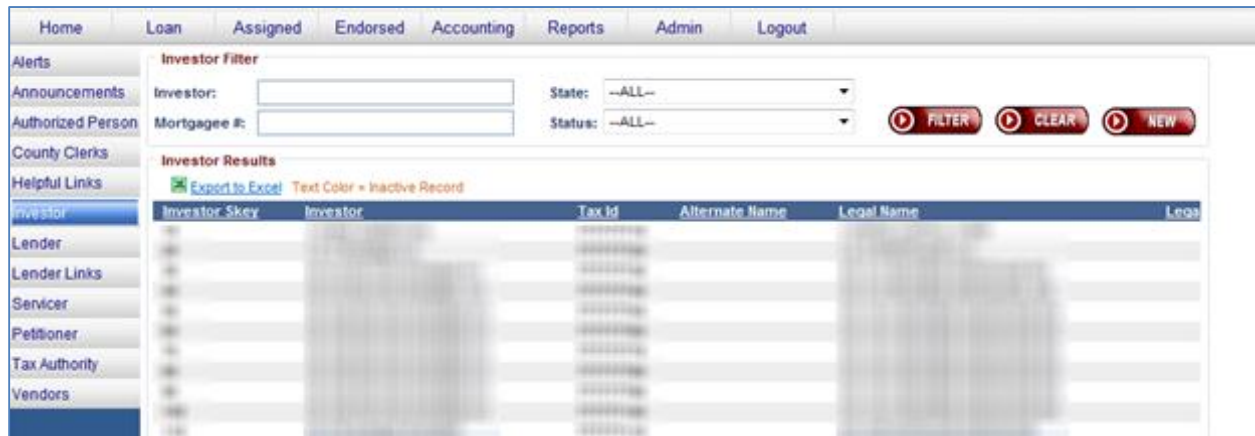
Figure 10-14: Investors Screen

10.7.1   Filtering Investors

You can sort investors by:
- Name (Investor)
- State
- Mortgagee #
- Status

10.7.2   Sorting Investors

You can sort Investors by:
- Investor Skey
- Investor Tax ID
- Alternate Name
- Legal Name
- Legal Name Part 1
- Legal Name Part 2
- Address1
- Address2
- City
- State
- Zip
- Main Phone #
- Alt Phone #
- Fax #
- Email
- Website URL

10.7.3   Creating an Investor

To create an investor:

Step 1. Click **New**. The **Investor** screen is displayed so the user can add a new investor.

Figure 10-15: Creating an Investor

Step 2. Enter the following information:
- o Status
- o Investor (required)
- o Mortgagee #
- o Tax ID
- o Business Hours
- o ABA Routing #
- o Account #
- o Fannie Mae Servicer #
- o Alternate Name
- o Legal Name

- o Legal Name Part1
- o Legal Name Part2
- o Address1(required)
- o Address2
- o City
- o State
- o Phone #
- o Fax #
- o Alt Phone #
- o Email
- o Website URL
- o Check Payable To (required)
- o Correspondence Department
- o Correspondence Contact
- o Funds Received By Time

Step 3. Click **OK.**

10.7.4 Editing an Investor

You can edit all fields except Investor Skey, Customer ID and audit information.

Step 1. Click on a record in the table and the **Investor** screen will be displayed.

Figure 10-16: Editing an Investor

Step 2. Modify the information you need to edit and click the **OK** button. The **Investor** tab record table with the edited record will be displayed in the table.

10.8   Lender Screen

This screen enables authorized users to add a lender, or to edit or inactivate a Lender. You cannot delete a lender. A lender that should no longer be used should be changed to Inactive.


Figure 10-17: Lenders Screen

10.8.1   Filtering Lenders

You can filter lenders by:
- Lender
- State
- Mortgagee #
- Status

10.8.2   Sorting Lenders

You can sort lenders by:
- Lender Skey
- Lender Contact Name
- Alternate Name
- Legal Name
- Legal Name Part 1
- Legal Name Part 2
- Address1
- Address2
- City
- State Zip
- Main Phone #
- Alt Phone #
- Hearing Impaired #
- Fax #
- Email
- Website URL
- Check Payable To

- Correspondence Dept
- Correspondence Contact
- Funds Received By
- Time Status
- ABA Routing #
- Account #
- Mortgagee #
- Business Hours
- Create Date
- Created By
- Change Date
- Changed By

10.8.3　Creating a New Lender

To create a lender:

Step 1. Click **New**. The **Lender** screen is displayed so the user can add a new Lender.

Figure 10-18: Creating a Lender

Step 2. Enter the following information:
- Lender Information
- Status
- Lender (required)

- o Contact Name
- o Mortgagee #
- o Tax ID
- o Business Hours
- o Aba Routing #
- o Account #
- o Alternate Name
- o Legal Name
- o Legal Name Part1
- o Legal Name Part2
- o Address1 (required)
- o Address2
- o City
- o State
- o Phone #
- o Fax #
- o Alt Phone #
- o Hearing Impaired #
- o Email
- o Website URL
- o Check Payable To (required)
- o Correspondence Department
- o Correspondence Contact
- o Funds Received By Time

10.8.4   Editing a Lender

You can edit all fields except Lender Skey and audit information.

Step 1. Click on a record in the table and the **Lender** screen will be displayed.

Figure 10-19: Editing a Lender

Step 2. Modify the information you need to edit and click the **OK** button. The **Lender** tab record table with the edited record will be displayed in the table.

10.9   Servicers Screen

This screen enables authorized users to add lenders, or edit or inactivate a lender. This screen also allows authorized user to set "No Pay" on the Servicer. Refer to Claims "No Pay" section for details. You cannot delete a servicer. A servicer that should no longer be used should be changed to Inactive.

Figure 10-20: Servicer Screen

10.9.1   Filtering Servicers

Servicers can be filtered on one or more of following criteria:
- Name
- Mortgagee Number
- State
- Status

10.9.2   Sorting Servicers

Servicers can be sorted by:
- Servicer Skey
- Servicer Contact Name
- Tax ID
- Alternate Name
- Legal Name
- Legal Name Part 1
- Legal Name Part 2
- Address1
- Legal Name Part 2
- Address1
- Address2
- City
- State
- Zip
- Main Phone #
- Alt Phone #

- Hearing Impaired #
- Fax #
- Email
- Website URL
- Check Payable To
- Correspondence Dept
- Correspondence Contact
- Funds Received By Time
- Status
- ABA Routing #
- Account #
- Mortgagee #
- Business Hours
- Customer ID
- Create Date
- Created By
- Change Date
- Changed By

10.9.3   Creating a Servicer

To create a servicer:

Step 1. Click **New**. The **Servicer** screen is displayed so the user can add a new Servicer.

Figure 10-21: Creating a Servicer

Step 2. Enter the following information
- o   No Pay
- o   Status
- o   Servicer (required)
- o   Contact Name
- o   Mortgagee #
- o   Tax ID
- o   Business Hours

- o Aba Routing #
- o Account #
- o Alternate Name
- o Legal Name
- o Legal Name Part1
- o Legal Name Part2
- o Address1 (required)
- o Address2
- o City
- o State
- o Phone #
- o Fax #
- o Alt Phone #
- o Hearing Impaired #
- o Email
- o Website URL
- o Payable To (required)
- o Correspondence Department
- o Correspondence Contact
- o Funds Received By Time

10.9.4 Editing a Servicer

All fields can be edited except customer ID, servicer skey, and audit information. Note: Special permission is built to edit No Pay check box. Only authorized users with the edit No Pay permission can edit the checkbox.

Step 1. Click on a record in the table and the **Servicer** screen will be displayed.

Figure 10-22: Editing a Servicer

Step 2. Modify the information you need to edit and click the **OK** button. The **Servicer** tab record table with the edited record will be displayed in the table.

10.10 Petitioners Screen

Petitioners are legal entities such as the Department of Justice. This screen enables authorized users to add a petitioner, or to edit or inactivate a petitioner. You cannot delete a petitioner. A petitioner that should no longer be used should be changed to Inactive.

Figure 10-23: Petitioners Screen

10.10.1   Filtering Petitioners

Petitioners can be filtered by one or more of three criteria:
- Name
- State
- Status

10.10.2   Sorting Petitioners

Petitioners can be sorted by:
- Status
- Petitioner
- Address1
- Address2
- City
- State
- Zip
- Phone #
- Fax #
- Create Date
- Created By
- Change Date
- Changed By
- User Information

10.10.3   Creating a Petitioner

To create a petitioner:
Step 1. Click **New.** The **Petitioner** screen will display so the user can add a new petitioner.

Figure 10-24: Creating a Petitioner

Step 2. Enter the following information:
- Status
- Petitioner (required)
- Address1(required)
- Address2
- City
- State
- Zip
- Phone #
- Fax #

Step 3. Click **OK**.

10.10.4   Editing a Petitioner

All fields except audit information and Petitioner Skey can be edited.
Step 1. Click on a record in the table and the **Petitioner** screen will be displayed.

Figure 10-25: Editing a Petitioner

Step 2. Modify the information you need to edit and click the **OK** button. The **Petitioner** tab record table with the edited record will be displayed in the table.

10.11 Tax Authorities Screen

Tax Authorities are entities that are in line to collect taxes related to the property. This screen enables authorized users to add a tax authority, or to edit or inactivate a tax authority. You cannot delete a tax authority. A tax authority that should no longer be used should be changed to Inactive.

Figure 10-26: Tax Authority Screen

10.11.1   Filtering Tax Authorities

Tax Authorities can be filtered by one or more of five criteria:
* Type
* Name
* Code
* State
* Status

10.11.2   Sorting Tax Authorities
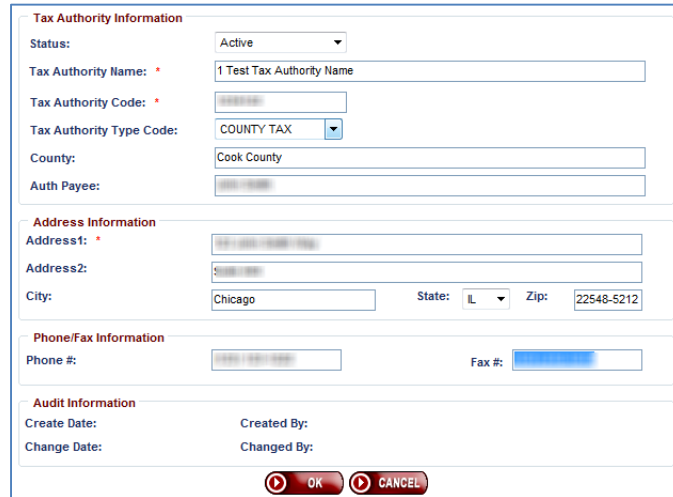
Tax authorities can be sorted by:
* Tax Authority Skey
* Tax Authority Type
* Tax Authority Name
* Tax Authority Code
* Address1
* Address2
* City
* State
* Zip
* Phone #
* Fax #
* Status
* Created By
* Create Date
* Maint By

- Maint Date

10.11.3 Creating a Tax Authority

Step 1. Click **New.** The **Tax Authority** screen will display so the user can add a new Tax Authority.

Figure 10-27: Creating a Tax Authority

Step 2. Enter the following information:
- o Status
- o Tax Authority Name(required)
- o Tax Authority Code
- o Tax Authority Type Code
- o County
- o Auth Payee
- o Address1 (required)
- o Address2
- o City
- o State
- o Phone

Step 3. Click **OK.**

10.11.4   Editing a Tax Authority

All fields except for audit information and Tax Authority Skey can be edited.

Step 1. Click on a record in the table and the **Tax Authority** screen will be displayed.

Figure 10-28: Editing a Tax Authority

Step 2. Modify the information you need to edit and click the **OK** button. The **Tax Authority** tab record table with the edited record will be displayed in the table.

10.12 Vendors Screen

This screen allows the authorized user to add new Vendors, edit or inactivate a Vendor. Vendors can be any contractors that provide a service on the mortgaged property (property management companies, appraisers, etc.). You cannot delete a vendor. A vendor that should no longer be used should be changed to Inactive.

Figure 10-29: Vendors Screen

10.12.1   Filtering Vendors

Vendors can be filtered on one or more of four criteria:
- Type
- Name
- State
- Status

10.12.2   Sorting Vendors

Vendors can be sorted by:
- Status
- Vendor Name
- Servicer
- Vendor Type
- Department
- Contact Name
- Tax ID
- Address1
- Address2
- City
- State
- Zip
- Phone #
- Fax #
- Email

- Website URL
- License #
- License State

10.12.3   Creating a Vendor

To create a vendor:

Step 1. Click **New**. The **Vendor** screen will display so the user can add a new Vendor.

Figure 10-30: Creating a Vendor

Step 2. Enter the following:
- o   Status
- o   Vendor Name (required)
- o   Servicer
- o   Vendor Type
- o   Department
- o   Contact Name
- o   Tax ID
- o   Address1 (required)
- o   Address2
- o   City
- o   State
- o   Zip
- o   Phone #
- o   Fax #
- o   Email
- o   Website URL
- o   License #
- o   License State

Step 3. Click **OK**.

10.12.4   Editing an Existing Vendor

All fields except for audit information and Customer ID can be edited.

Step 1. Click on a record in the table and the edit alerts screen will be displayed.

Figure 10-31: Editing an Existing Vendor

Step 2. Modify the information you need to edit and click the **OK** button. The **Vendor** tab record table with the edited record will be displayed in the table.

APPENDIX A: ACRONYMS

Appendix A. ACRONYMS

Acronym	Description
AAR	Applicant Access Request.
ABA	American Bankers Association.
ACH	Automated Clearing House.
ADJ	Adjustment.
ADP	Automatic Data Processing.
ARM	Adjustable Rate Mortgage.
BANKO	Bankruptcy and Deceased Information.
B2G	Business To Government.
BPS	Basis Points.
BSP	Business Service Provider.
CHUMS	Computerized Homes Underwriting Management System.
CMB	Cash Management Branch.
CMMI	Capability Maturity Model Integration.
CMT	Constant Maturity Treasury.
COI	Certificate of Indebtedness.
COP	Change of Plan.
COTS	Commercial-Off-The-Shelf.
CT	Claim Type.
CWCOT	Claims Without Conveyance of Title.
DEO	Data Entry Operator.
DIL	Deed-in-Lieu.
DOB	Date of Birth.
DOJ	Department of Justice.
DOT	Deed of Trust.
FARETS	First American Real Estate Tax Service.
FCL	Foreclosure.
FHA	Federal Housing Administration.
FHASL	Federal Housing Administration Subsidiary Ledger.
FOCS	Financial Operations and Control Section
FTP	File Transfer Protocol.
GL	General Ledger.

Acronym	Description
GLD	General Ledger Division.
GTM	Government Technical Monitor.
HECM	Home Equity Conversion Mortgage.
HECM SP	Home Equity Conversion Mortgage Service Provider.
HERMIT	Home Equity Reverse Mortgage Information Technology.
HITS	HUD Information Technology Service.
HOA	Homeowner's Association.
HOCs	Homeownership Centers.
HUD	U.S. Department of Housing and Urban Development.
IACS	Insurance Accounting Collection System.
IMIP	Initial Mortgage Insurance Premium.
LIBOR	London Interbank Offered Rate.
LOC	Line of Credit.
LTV	Loan To Value.
MCA	Maximum Claim Amount.
M&M contractor	Management and Marketing.
MIC	Mortgage Insurance Certificate.
MIP	Mortgage Insurance Premium.
MMI	Mutual Mortgage Insurance.
MMIP	Monthly Mortgage Insurance Premium.
MTH-SF	Monthly Service Fee.
NACHA	National Automated Clearinghouse Association.
NJF	Non Judicial Foreclosure.
NPL	Net Principal Limit.
NSC	National Servicing Center.
NSF	Non-Sufficient Funds.
OMB	Office of Management and Budget.
PC	Personal Computer.
PCC-OTC	Paper Check Conversion Over The Counter.
P&P	Property and Preservation.
PDF	Portable Document Format.
PMI	Private Mortgage Insurance.
POA	Power of Attorney.
REKON	A lien release software application.

Acronym	Description
REO	Real Estate Owned.
RFS	Reporting and Feedback System.
SAMS	Single Family Acquired Asset Management System.
SF	Single Family.
SFHEDW	Single Family Housing Enterprise Data Warehouse.
SFTP	Secure File Transfer Protocol.
SMART	Single Family Mortgage Asset Recovery Technology.
SOA	Section of the Act.
SP	Service Provider.
SPS	Secure Payment System.
SSN	Social Security Number.
T & I	Tax and Insurance.
UPB	Unpaid Principal Balance.
URL	Uniform Resource Locator.

APPENDIX B: SERVICING MODULE MENU MAP

Appendix B. SERVICING MODULE MENU MAP

Loan
- Loan Balance
- Loan Details
- Transactions
- Contacts
- Property
- Documents
- Notes
- Audit Tracking
- Alerts
- Change of Plan
- Payoff
- Statement
- Disbursement
- Servicer Info
- Servicer Request
- Bank Account

Endorsed

Compliance
- Insurance-Flood Policy
- Insurance-Forced Place
- Insurance-Hazard Policy
- Occupancy Compliance Certification
- Repairs
- Taxes Delinquent

Disposition
- Due & Payable w/o HUD Approval
- Loss Mitigation – Deed-in- Lieu
- Loss Mitigation - Family Sale Pending
- Loss Mitigation - Pre-Foreclosure
- Loss Mitigation - Short Sale

Requests
- Certificate of Indebtedness*
- Consent of Lienholder*
- Due and Payable w/ HUD Approval*
- Extension - Claim Filing*
- Extension - Deed-in-Lieu*
- Extension – Repairs*
- Extension - Request to Delay Foreclosure*
- Investor Short Sale*
- Partial Release*
- Payoff Request*
- Preservation and Protection*
- Request for HUD Advance (Assignment)*
- Subordination*
- Zero Balance*

Foreclosure
- Foreclosure

Bankruptcy
- Bankruptcy - Chapter 7
- Bankruptcy - Chapter 13

Release
- Release 2nd

Claims
- Claim Type 21 - DIL/FCL*
- Claim Type 22 – Assignment*
- Claim Type 23 - Short Sale/Mortgager's Sale (Pre-Fcl)*
- Claim Type 24 - HECM Supplemental*

*Timelines can be initiated through Loan – Servicer Request

Assigned

Compliance
- Insurance-Flood Policy
- Insurance-Hazard Policy
- Insurance/Loss Draft Administration
- Occupancy Compliance Certification
- Request for Unscheduled Advance
- Taxes Delinquent

Disposition
- Due & Payable
- Loss Mitigation – Deed-in- Lieu
- Loss Mitigation - Family Sale Pending
- Loss Mitigation - Pre-Foreclosure
- Loss Mitigation - Short Sale
- Write-Off Review

Requests
- Certificate of Indebtedness
- Payoff Request
- Zero Balance

Release
- Release 1st
- Release 2nd

Bankruptcy
- Bankruptcy - Chapter 7
- Bankruptcy - Chapter 13

Claims
- Assignment Repurchase
- Title Approval *

Accounting
- Transmittals
- Premiums (IMIP)
- Claims
- Refunds
- Disbursements
- Authorizations

Batch
- Initial Transfer
- Servicer Transfer List
- Servicer Transactions
- Servicer File Upload
- Vendor Upload

Reports
- Premiums
- Assigned Notes
- Management/Budgetary
- STORM Support

Admin
- Alerts
- Announcements
- Authorized Person
- County Clerks
- Helpful Links
- Investor
- Lender
- Lender Links
- Servicer
- Petitioner
- Tax Authority
- Vendors

* *Timeline associated with Assigned loans converted from SMART

APPENDIX C: HERMIT USER GUIDE VERSION 2.8 UPDATES (RELEASE 4.1)

Appendix C. HERMIT USER GUIDE VERSION 2.8 UPDATES (Release 4.1)

Item No.	Description
1.	Updated Fig-2-13 –The Life Expectancy Set Aside (LESA) fields are now displayed in the Loan Balance Screen
2.	Updated Fig-2-14 –The Life Expectancy Set Aside (LESA) fields are now displayed in the Loan Balance Screen
3.	Updated Fig-4-2 - The Life Expectancy Set Aside (LESA) fields are now displayed in the Loan Set Up Screen
4.	Updated Section 4.2.2.8 to add Life Expectancy Set Aside
5.	Added New Section 4.2.2.9 to list the details of data fields within Life Expectancy Set Aside (LESA)
6.	Updated Section 5.5.1.5 to include Disb-Life Expectancy Set Aside
7.	Updated table 5-5 Disbursement Transactions to include Disb-Life Expectancy Set Aside
8.	Added New Section 5.5.1.10.3 Repayment of Life Expectancy Set Aside (LESA)-(ENDORSED)
9.	Added Fig 5-24 -Repays LESA Transaction window
10.	Added Table 5-9 LESA Repay Transaction
11.	Added New Section 5.5.4 Viewing Life Expectancy Set Aside Growth Transaction
12.	Added Fig-5-34 Viewing LESA Growth Transaction
13.	Updated Fig-5.40 Deactivate a Non Borrowing Spouse to display the field "Eligible" renamed as "Eligible NBS"
14.	Updated 5.6.6 Added the word Eligible preceding NBS
15.	Added New Section 5.6.7 Adding a Non Borrowing Spouse
16.	Added New Section 5.6.8 Editing a Non Borrowing Spouse Contact
17.	Updated Fig 5-66 -View Monthly Statement Screen to display the LESA fields added to the Monthly Statement Details
18.	Added New Section 6.3.3 Activating or Suspending Life Expectancy Set Aside (LESA) Payments
19.	Added Fig-6-10 LESA Payment Plan Information Section
20.	Added Fig-6-11 Edit LESA Payment Plan Window
21.	Added New Section 6.5.1.7 Life Expectancy Set Aside (LESA) Repays -(ASSIGNED)
22.	Added Fig-6-25 Repays LESA Transaction Window
23.	Added Table 6-5 LESA Repays Transaction
24.	Updated Fig-6.41 Deactivate a Non Borrowing Spouse to display the field "Eligible" renamed as "Eligible NBS"
25.	Updated 6.6.6 Added the word Eligible preceding NBS
26.	Added new Section 6.6.7 Adding a Non Borrowing Spouse Contact

Item No.	Description
27.	Added new Section 6.6.8 Editing a Non Borrowing Spouse Contact
28.	Updated Fig 6-77 View Monthly Statement Screen to display the LESA fields added to the Monthly Statement Details
29.	Added New Section 6.15.8 Performing a Life Expectancy Set Aside Disbursement
30.	Added New Section 6.19.2.5 Reprint Void Check
31.	Added Fig 6-101 Reprint Check(s) Message
32.	Added Fig 6-102 Printer Paper Message
33.	Updated Fig 7-36 Timelines Steps-Endorsed Due and Payable w/o HUD Approval to display the sequence of timeline steps.
34.	Updated Fig 7-40 Edit Servicing Management-Endorsed Due and Payable w/o HUD Approval to display the new sequence of timeline steps.
35.	Updated Fig 7-41 Timeline Steps-Endorsed Due and Payable w/o HUD Approval to display the sequence of timeline steps.
36.	Updated Section 7.2.2.5 Loss Mitigation Pre Foreclosure Step 8 and Step 10 to include renamed step "Servicer Prepares Foreclosure Document
37.	Updated Fig-7-58 Timeline Steps-Endorsed Pre-Foreclosure to display the sequence of timeline steps
38.	Updated Fig-7-59 Edit-Step to Endorsed Pre-Foreclosure to display the step "Servicer Prepares Fcl Checklist/HUD Form renamed as "Servicer Prepares Foreclosure Documents"
39.	Updated Fig 7-65 Edit Servicing Management -Endorsed Foreclosure to display renamed step "Sale/Refer to REO to "Foreclosure Sale Date" and display the new sequence of timeline steps.
40.	Updated Fig-66 Timeline Steps-Endorsed Foreclosure to display renamed step "Sale/Refer to REO to "Foreclosure Sale Date" and display the new sequence of timeline steps.
41.	Updated Fig 7-87 Edit Servicing Management Screen- Endorsed Due and Payable w/HUD Approval to display the new sequence of timeline steps.
42.	Updated Fig-7-88 Timeline Steps -Endorsed Due and Payable w/HUD Approval to display the new sequence of timeline steps.
43.	Updated Fig- 7-92 Edit Servicing Management Screen -Endorsed Claim Filing -Steps were arranged as per calendar days
44.	Updated Fig- 7-93 Timeline Steps -Endorsed Claim Filing -Steps were arranged as per calendar days
45.	Added New Section 7.3.1.14 Extension-Late Notification of Death
46.	Added Fig-7-146 Setup Search-Endorsed-Late Notification of Death
47.	Added Fig-7-147 Edit Servicing Management Screen-Endorsed Late Notification of Death
48.	Added Fig-7-148 Timeline Steps-Endorsed Late Notification of Death
49.	Added Fig-7-149 Edit Step Window-Endorsed Late Notification of Death
50.	Added Fig-7-150 Edit Step- Endorsed Late Notification of Death
51.	Added Fig-7-151 New Step-Endorsed Late Notification of Death

Item No.	Description
52.	Added New Section 7.3.1.15 Extension-Hardest Hit Fund
53.	Added Fig-7-152 Setup Search-Endorsed-Hardest Hit Fund
54.	Added Fig-7-153 Edit Servicing Management Screen-Endorsed Hardest Hit Fund
55.	Added Fig-7-154 Timeline Steps-Endorsed Hardest Hit Fund
56.	Added Fig-7-155 Edit Step Window-Endorsed Hardest Hit Fund
57.	Added Fig-7-156 Edit Step- Endorsed Hardest Hit Fund
58.	Added Fig-7-157 New Step-Endorsed Hardest Hit Fund
59.	Added New Section 7.3.1.16 Extension-Property Charge Loss Mitigation
60.	Added Fig-7-158 Setup Search-Endorsed-Property Charge Loss Mitigation
61.	Added Fig-7-159 Edit Servicing Management Screen-Endorsed Property Charge Loss Mitigation
62.	Added Fig-7-160 Timeline Steps-Endorsed Property Charge Loss Mitigation
63.	Added Fig-7-161 Edit Step Window-Endorsed Property Charge Loss Mitigation
64.	Added Fig-7-162 Edit Step- Endorsed Property Charge Loss Mitigation
65.	Added Fig-7-163 New Step-Endorsed Property Charge Loss Mitigation
66.	Added New Section 7.3.1.17 Extension-Appraisal
67.	Added Fig-7-164 Setup Search-Endorsed-Appraisal
68.	Added Fig-7-165 Edit Servicing Management Screen-Endorsed Appraisal
69.	Added Fig-7-166 Timeline Steps-Endorsed Appraisal
70.	Added Fig-7-167 Edit Step Window-Endorsed Appraisal
71.	Added Fig-7-168 Edit Step- Endorsed Appraisal
72.	Added Fig-7-169 New Step-Endorsed Appraisal
73.	Added New Section 7.3.1.18 Extension-Other
74.	Added Fig-7-170 Setup Search-Endorsed-Other
75.	Added Fig-7-171 Edit Servicing Management Screen-Endorsed Other
76.	Added Fig-7-172 Timeline Steps-Endorsed Other
77.	Added Fig-7-173 Edit Step Window-Endorsed Other
78.	Added Fig-7-174 Edit Step- Endorsed Other
79.	Added Fig-7-175 New Step-Endorsed Other
80.	Added a Note to section 8.3.7.2
81.	Added additional steps for Assignment Denied- No Funds Due HUD Section 8.3.7.2

APPENDIX D: HERMIT USER GUIDE VERSION 2.9 UPDATES (RELEASE 4.2)

Appendix D. HERMIT User Guide Version 2.9 Updates (Release 4.2)

Item No.	Description
1.	Added Pay Plan Type to Table 2-2 - Loan Search Criteria
2.	Added Repayment Plan to Table 2-4 - Description of the Servicing Module Side Menu Bar
3.	Updated Fig-2-13 –The Loan Balance Screen - Example of the Top Menu Bar
4.	Updated Fig-2-14 –The Loan Balance Screen - Example of the Side Menu Bar
5.	Update Section 3.3 to include user roles for Repayment Plan
6.	Update Section 3.7 to include user roles for Repayment Plan
7.	Update Section 3.8 to include user roles for Repayment Plan
8.	Updated Table 4-2 Credit Type Mandatory - Data Fields - Rates Information Section
9.	Updated Fig 4-2 - Loan Setup Screen to display Credit Type field as mandatory
10.	Added Lump Sum to Pay Plan Type Section 4.2.2.6
11.	Removed Note from Pay Plan Type Section 4.2.2.6
12.	Added New Balance Adjustment Section 5.5.1.14
13.	Added Fig 5.29 –Adjust Loan Balance Window
14.	Added Fig 5.30 –Loan Balance Adjustment Transaction
15.	Updated Section 5.12 – Change of Plan with pay
16.	Added New Section 5.20 Repayment Plan
17.	Added Sub-Section 5.20.1 Viewing a Repayment Plan
18.	Added Sub-Section 5.20.2 Creating a New Repayment Plan
19.	Added Sub-Section 5.20.3 Editing a Repayment Plan
20.	Added Fig 5-97 Repayment Plan Screen
21.	Added Fig 5-98 View Repayment Plan Screen
22.	Added Fig 5-99 New Repayment Plan Window
23.	Added Fig 5-100 New Repayment Plan Displayed on Repayment Plans Section
24.	Added Fig 5-101 Edit Repayment Plan Window
25.	Added a Note that Lump Sum Pay Plan Type cannot be changed to Section 6.12 – Change Of Plan
26.	Added a Note that user cannot change from any existing Pay Plan to Lump Sum to Section 6.12 – Change Of Plan
27.	Added New Section 6.21 Repayment Plan
28.	Added Sub-Section 6.21.1 Viewing a Repayment Plan
29.	Added Sub-Section 6.21.2 Creating a New Repayment Plan

Item No.	Description
30.	Added Sub-Section 6.21.3 Editing a Repayment Plan
31.	Added Fig 6-112 Repayment Plan Screen
32.	Added Fig 6-113 View Repayment Plan Screen
33.	Added Fig 6-114 New Repayment Plan Window
34.	Added Fig 6-115 New Repayment Plan Displayed on Repayment Plans Section
35.	Added Fig 6-116 Edit Repayment Plan Window
36.	Added Note to Section 8.3 - Initiating and Submitting Claim Type 22 to mention about Corp Advance and Pre D&P transaction.
37.	Updated Fig 8-7 - Claims Worksheet for CT21
38.	Updated Fig 8-28 - Claims Worksheet for CT23
39.	Updated Section 9.7 to include Repayment Plan Report
40.	Added New Section 9.7.4 for Repayment Plan Report
41.	Added Fig 9.35 Repayment Plan Report

APPENDIX E: HERMIT USER GUIDE VERSION 2.10 UPDATES (RELEASE 4.3)

Appendix E.HERMIT User Guide Version 2.10 Updates (Release 4.3)

Item No.	Description
1.	Updated Fig 2-16 on Resetting Password
2.	Updated the text below the Fig 2-16
3.	Added Step 3 in Section 5.5.1.11 on Termination
4.	Added Fig 10-32: Error message on Terminating the loan in Section 5.5.1.11.
5.	Added Fig 10-33: Error message on Terminating the loan in Section 5.5.1.11
6.	Added Section Servicer Activities 7.3.1.11.3 for HUD Advance Servicer Activities
7.	Updated Repayment Claim Payment processing Steps in Section 7.4.7.2
8.	Added Fig 7-288 Approve / Cancel Repurchase
9.	Added Step 4 in Section 8.2 Initiating and Submitting Claim Type 21
10.	Added Fig 8-4 Error message when initiating CT 21 in Section 8.2 (below Step 2)
11.	Section 8.2 Step 23. Added information on the negative Claim not being approved
12.	Added Step 4 in Section 8.4 Initiating and Submitting Claim Type 23
13.	Added Fig 8-27 Error message when initiating CT 23 in Section 8.4 (below Step 3)
14.	Section 8.4 Step 23. Added information on the negative Claim not being approved
15.	Section 8.5 Step 21. Added information on the negative Claim not being approved
16.	Updated Fig 9-21 Placed in Custodial Care Report
17.	Updated text in 9.6.8 for the User to have ability to Search by HUD NSC Transactions only

APPENDIX F: HERMIT USER GUIDE VERSION 2.11 UPDATES (RELEASE 5.0)

Appendix F.HERMIT User Guide Version 2.11 Updates (Release 5.0)

Item No.	Description
1.	Updated all Figures Containing the Header
2.	Updated the Servicing Module Help Desk Information in Section 2.1
3.	Updated Figure 2-2 to show the new HERMIT login screen

APPENDIX G: HERMIT USER GUIDE VERSION 2.12 UPDATES (RELEASE 5.1)

Appendix G.HERMIT User Guide Version 2.12 Updates
(Release 5.1)

Item No.	Description
1.	Updated section 9.1 Reports Overview – changed references of "Premiums" section to read "Lender/Servicer reports".
2.	Updated section 9.2 Accessing Reports – changed screen shots to show the updated "Lender/Servicer Reports" group.
3.	Updated section 9.4 Generating Reports screen shot to reflect "Lender/Servicer Reports".
4.	Updated section 9.5 to read "Lender/Servicer Reports".
5.	Added new section 9.8 Servicer Reports, which includes information on the new Claims Detail and Default Key Dates report.
6.	Updated Section 9.6.13 Needs Custodial Care report – added references to new fields section of act (SOA), custodial care request date, custodial care placed date, area for custodial property, and recorded date of deed.
7.	Updated Section 9.6.14 Placed In Custodial Care report to add missing and new fields – FHA Case Number, Borrower Name, Property Address, Loan Status, Customer Care Request Date, Section of Act (SOA), Fee Status, Area for Custodial Property, and Recorded Date of Deed.
8.	Updated Section 7.4.4 Assigned Foreclosure Timeline: updated the screenshot in step 4 to reflect updated timeline steps; added new steps (11 and 12) to generate the Occupied Conveyance Letter; added a reference in Step 20 to the lockdown of the Custodial Care Placed Date field.
9.	Updated section 1.2.2 General Servicing Activities for Insurance-in-Force Cases and Assigned Loans – add a reference to adding scheduled payments to the paragraph.
10.	Updated section 5.1 General Servicing Overview – added a reference to adding scheduled payments to the paragraph.
11.	Updated section 5.5.1.2 – added a reference to manually creating scheduled payment transactions to the transaction category table.
12.	Updated section 6.15 Assigned Disbursements to include Disb-Scheduled in the transaction categories available. Added a new sub-section 6.15.9 "Manually Adding a Scheduled Payment Disbursement" detailing the process for creating these disbursement transactions.
13.	Updated figure 7-241 in section 7.4.2.5 Loss Mitigation – Pre-foreclosure to reflect an updated step name.
14.	Updated screenshot in section 9.6.20 for HUD Monthly Director Report – HECM Assigned Detail report so it includes the new Loans NOI Issued records.
15.	Updated figure 6-13 in section 6.4.1 Edit Loan Details to reflect lockdown of the "Cust Care Place Date:" field.
16.	Updated Figure 7-264: Edit Servicing Management – Assigned Foreclosure, and Figure 7-261: Timeline Steps – Assigned Foreclosure to reflect current timeline steps.
17.	Updated section 7.4.2.5.3 HUD NSC Contractor Activities – removed references to Occupied Conveyance Letter from Steps 17 and 18.

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